

**GOVERNORS'
CONFERENCE
PROCEEDINGS**

—1918—

Annapolis, Md.

December 13-18, 1918

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PROCEEDINGS

OF THE

TENTH
MEETING OF THE GOVERNORS

OF THE

STATES OF THE UNION

HELD AT

ANNAPOLIS, MD.

DECEMBER 16-18

1918

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ORGANIZATION

Executive Committee

GOVERNOR EMERSON C. HARRINGTON, Maryland



GOVERNOR RUFFIN G. PLEASANT, Louisiana

GOVERNOR HENRY J. ALLEN, Kansas

Treasurer

HONORABLE JOHN FRANKLIN FORT

Essex Building, Newark, New Jersey

Secretary

MILES C. RILEY

Madison, Wis.

ATTENDANCE ROLL

<i>Alaska</i>	Governor Thomas Riggs, Jr.
<i>Arizona</i>	Governor George W. P. Hunt
	Governor-Elect Thomas E. Campbell
<i>Delaware</i>	Governor John G. Townsend, Jr.
<i>Georgia</i>	Governor Hugh M. Dorsey
<i>Idaho</i>	Governor Moses Alexander
	Governor-Elect D. W. Davis
<i>Indiana</i>	Governor James P. Goodrich
<i>Iowa</i>	Governor W. L. Harding
<i>Kansas</i>	Governor Arthur Capper
	Governor-Elect Henry J. Allen
<i>Louisiana</i>	Governor Ruffin G. Pleasant
<i>Maine</i>	Governor C. E. Milliken
<i>Maryland</i>	Governor Emerson C. Harrington
<i>Massachusetts</i>	Governor-Elect Calvin Coolidge
<i>Michigan</i>	Governor Albert E. Sleeper
<i>Minnesota</i>	Governor J. A. A. Burnquist
<i>Missouri</i>	Governor Frederick D. Gardner
<i>Montana</i>	Governor S. V. Stewart
<i>Nebraska</i>	Governor-Elect Samuel R. McKelvie
<i>Nevada</i>	Governor Emmet D. Boyle
<i>New Hampshire</i>	Governor J. G. Bartlett
<i>New Jersey</i>	Governor Walter E. Edge
<i>New Mexico</i>	Governor W. E. Lindsay
	Governor-Elect O. O. Larrazolo
<i>North Carolina</i>	Governor Thomas W. Bickett
<i>North Dakota</i>	Governor Lynn W. Frazier
<i>Oklahoma</i>	Governor R. L. Williams
	Governor-Elect J. B. A. Robertson
<i>Pennsylvania</i>	Governor Martin G. Brumbaugh
	Governor-Elect Wm. C. Sproul

<i>Rhode Island</i>	Governor R. L. Beeckman
<i>South Carolina</i>	Góvèrnör Richard I. Manning
	Governor-Elect R. A. Cooper
<i>Utah</i>	Governor Simon Bamberger
<i>Vermont</i>	Governor-Elect Percival W. Clement
<i>Virginia</i>	Governor Westmoreland Davis
<i>Washington</i>	Governor Ernest Lister
<i>West Virginia</i>	Governor John J. Cornwell
<i>Wisconsin</i>	Governor Emanuel L. Philipp
<i>Wyoming</i>	Governor Frank L. Houx

GOVERNOR'S CONFERENCE

ARTICLES OF ORGANIZATION

ARTICLE I.

The style of this organization shall be the "Governors' Conference."

ARTICLE II.

Active membership in the Governors' Conference shall be restricted to the Governors of the several states and territories of the United States, the term "Governors" to include Governors-Elect. Ex-Governors shall be received as honorary members and, as such, shall be entitled to all the rights and privileges of active membership except the right of voting.

ARTICLE III.

The functions of the Governors' Conference shall be to meet yearly for an exchange of views and experience on subjects of general importance to the people of the several states, the promotion of greater uniformity in state legislation and the attainment of greater efficiency in state administration.

ARTICLE IV.

The Conference shall meet annually at a time and place selected by the members at the preceding annual meeting.

ARTICLE V.

The Conference shall have no permanent president.

A Governor shall be selected by the Executive Committee at the close of each half day's session to preside at the succeeding meeting.

ARTICLE VI.

There shall be no permanent rules for the government of the Conference in discussion or debate, but the procedure at any session shall be subject to the pleasure of the Governors present.

ARTICLE VII.

The proceedings of the Conference shall be fully reported and published.

ARTICLE VIII.

The affairs of the Conference shall be managed by an Executive Committee composed of three members to be chosen by the Conference at the regular annual meeting. They shall hold office until the close of the succeeding regular annual meeting and until their successors are chosen. Vacancies in the Executive Committee may be filled by the remaining members thereof.

ARTICLE IX.

A secretary and a treasurer shall be elected by the Conference at each annual meeting.

The secretary shall attend all meetings of the Conference, keep a correct record thereof, safely keep and account for all documents, papers and other property of the Conference which shall come into his hands, and shall perform all other duties usually appertaining to his office or which may be required by the Executive Committee. He shall be paid an annual salary of not to exceed twenty-five hundred dollars and shall be reimbursed his actual and necessary expenses incurred while traveling on the business of the Conference.

The secretary shall annually prepare and submit to the Conference a budget of the expenses for the ensuing year. He shall make all necessary arrangements for a program for the regular annual meeting and shall edit the stenographic reports of the proceedings at all meetings. He shall, also, so far as possible, co-operate and keep in touch with organizations, societies and other agencies designed to promote uniformity of legislation.

ARTICLE X.

The treasurer shall have the custody of the funds of the Conference, subject to the rules of the Executive Committee. He shall deposit funds of the Conference in its name, shall annually report all receipts, disbursements and balances on hand, and shall furnish a bond with sufficient sureties conditioned for the faithful performance of his duties.

ARTICLE XI.

Persons not members of the Conference shall not be heard until the regular order of business for the day has been concluded, and then only by unanimous consent. All programs for social entertainment must be approved in advance by the Executive Committee.

ARTICLE XII.

These articles or any of them may be altered, amended, added to or repealed at any time by a majority vote of all Governors present and voting at any regular annual meeting of the Conference.

GOVERNORS' CONFERENCE

TENTH ANNUAL SESSION

ANNAPOLIS, MARYLAND, DECEMBER 16-18, 1918, IN THE
STATE CAPITOL

The Conference was called to order in the Old Senate Chamber at 12 o'clock noon by Governor Capper of Kansas.

GOVERNOR CAPPER—Ladies and Gentlemen: We open here this morning the Tenth Annual Conference of Governors. The last Conference was held two years ago in Washington. At that time it was decided to hold the next Conference in Salt Lake City, but for reasons which seemed to justify a change, the Conference, upon invitation of Governor Harrington, was called here, nearer to the City of Washington. It promises to be, I think, the largest Conference that we have ever held. We have definite acceptances from at least forty-two Governors and a number of Governor-Elect and former Governors. I think we can confidently look forward to an interesting and profitable session. Before introducing the Governor of Maryland, in response to whose invitation we are assembled here, I wish to present Reverend Doctor Burgan, of Annapolis, who will offer a prayer.

(Prayer was then offered by Reverend Doctor Burgan, of Annapolis.)

GOVERNOR CAPPER—Now, I present to you the distinguished Governor of this historic State, Governor Emerson C. Harrington.

Governor Emerson C. Harrington, Maryland

Mr. Chairman, and Gentlemen of the Governors' Conference: It is very pleasing to me that the first Conference of the Governors after the World War from which we have just emerged should meet in Maryland and in this ancient and

historic City of Annapolis, where, whichever way we turn, we behold so many landmarks of the early struggles of our State and Nation.

When the Governors' Conference last met, in Washington in December, 1916, just two years ago, though ominous clouds had from time to time appeared above the horizon, our country had not yet been drawn into the awful whirlpool of war which then threatened to involve all the Nations of the earth. Shortly thereafter it became clear even to the strongest advocate of peace that the American Nation could no longer in honor submit to the violations by the common enemy of all the known principles of International law in their relations with us, could no longer be blind to the possible consequences of the success of the Central Dynasties of Europe, and could no longer remain aloof when we saw that the civilization of the world was threatened and that by the success of the enemy the permanency of democratic institutions would be imperilled in every quarter of the globe. From a nation peace-loving and upon a peace footing, we were with wonderful rapidity transformed into an armed camp, with four to five millions of soldiers under arms, and quite prepared to call forth millions more if necessary, to uphold our national honor, to destroy the last vestige of unrestrained military autocracy, to make safe the world for democratic ideals, and the establishment of governments of the people, for the people and by the people the wide world over.

So last year the Conference of Governors was not held, for every Governor from the Atlantic to the Pacific, and from the Gulf to the Lakes, was too busy dedicating all the energies he possessed in standing by the National Government in the prosecution of the war and in helping to demonstrate the fact that a democracy like ours, when once resolved upon action, can be as strong in the storms of war as any military dynasty or monarchy, however absolute.

In less than eighteen months we had organized and trained an army of from three to four millions of men, two million two hundred thousand of them had been transported across three thousand miles of ocean and, at the very crisis of the

war, an army of American soldiers, the best and bravest the world has ever known, filled the breach which had been made in the most critical part of the line of battle, began the famous attack which finally drove back and crushed the enemy, and saved the day and the war, for the honor of our country and for the freedom of the world.

I am perfectly willing to pay tribute and do all honor to our Allies. No one can paint language too strong for me in praise of the matchless spirit of the people of France. The story of the war will wreath around her brow imperishable renown. Her people were magnificent in action. They are magnificent in victory.

The heroism of the Belgian people and the noble, God-like action of her King have merited and received the undying plaudits of the world.

The Land of Garibaldi has added lustre to its history and has demonstrated that human rights and human liberty have not appealed to her in vain.

And in honor of our mother country no one can speak in too great praise for me. In every quarter of the globe, wherever the fight has had to be waged, her soldiers were there, calm, cool and determined, as well in the hour of defeat as in the hour of victory. The sacrifices which England has made should never be forgotten. We can never forget that 70 per cent of our boys were transported across the seas in English bottoms and that her matchless fleet has been the great bulwark of strength for herself and her Allies throughout the war.

Too much for all these countries cannot be said. But all of them were fighting for their very existence and they all knew it. Victory for Germany meant the last of France, the last of Belgium, the last of Italy and the last of England. That was recognized by the whole world. It might have meant the last of America. It surely meant, had we kept out of the war and Germany been successful, the giant of the Western continent would have had finally to fight and fight practically alone for its own life and existence later. But it is a truth which cannot be denied that if America had not come to the aid of the Allies all would have been lost. Our country

seemed by the hand of Destiny reserved to play an important part, and, therefore, while I give every praise to our Allies to which they are entitled, I do not believe that we should be too modest to claim the credit which is ours and the glory for our brave boys who fought at Chateau Thierry, at the Argonne Forest, or at St. Mihiel, or due credit for the other great work done by our country in helping to win the war. *And, therefore, I believe that this country of ours has a right to impress upon our Allies across the way that the ideals for which America entered the fight should find expression and realization in the final terms of peace.*

Speaking for myself, and for myself alone, I believe that this war will have been fought in vain if the combined genius of ourselves and Allies cannot devise some plan, whether it be by a league of nations or otherwise I care not, by means of which such world wars may never again be possible, and that differences between nations can be settled in some other way "than by the slaughter of men and the starving of women and children."

The closing verses of the Recessional come now forcibly to my memory:

"If drunk with sight of power we let loose
Wild tongues that have not Thee in awe,
Such boastings as the Gentiles use
Or lesser breeds without the law
Lord God of Hosts, be with us yet,
Lest we forget, lest we forget.

For heathen heart that puts her trust
In reeking tube or iron shard,
All valiant dust that builds on dust
And guarding, calls not Thee to guard,
For frantic beast and foolish word
Thy mercy on thy people, Lord."

And now that the war is over the questions of reconstruction, restoration and readjustment are demanding early solution. A great responsibility, as well as a great opportunity, now arises before the American people. Old condi-

tions can never return. New conditions now confront us. Bolshevism must never be permitted upon the Western Continent, but the surest way to avoid socialism of such a character, or anarchy, is for us to have such form of government with such legislation that gives equal and just privileges and equal and just opportunities to every citizen of our country. Public corporations and big business must now understand that they can only exist when they recognize that their existence is permitted for service and not for self and that they are the servants and not the masters.

Our boys will soon be back, and I know we are all of one opinion, that the sacrifices which they have made entitled them to every opportunity for service in either the political or business life of our country.

I am not a pessimist. I believe we are going to meet these great problems in America and rightly solve them. The war has been of untold benefit to America. Labor and Capital, the man of small and big business have been thrown into most intimate association in this great war and each has become better acquainted with the other's viewpoint. The women of our country have shown themselves absolutely indispensable and highly efficient in every form of useful work during the war. No better time, therefore, could there be than now for the Governors of the different Sovereign States of the Union to get together to exchange views and to advise each other as to the necessary action or legislation that is demanded to meet the great problems which now confront us.

England, Canada and France, too, have had for sometime past, yes, for several years, commissions appointed who have been working out and devising ways and means to solve the great questions which must be solved after peace shall be declared, and the nations of the world once more attempt to adjust themselves to the new conditions which follow in the wake of the war. Therefore, we have no time to lose.

It seems to me most fortunate that this meeting comes just about the same time as the peace conference in France, for we must realize that many of the problems that have already come from the armistice and that will follow signed peace will fall upon the States. We have entered a New World, and

well may we pause to consider what it means to us. There must be changes, readjustments, realignments, and most of these will have to be worked out by the States.

It is always by looking back that we may see how far we have gone, and often when we do this we find wonderful encouragement. For example, a general conference of the States was called to meet in Annapolis in 1786. That was the critical period of our history. The States were in a bad way. They were less known to one another than foreign countries are today. They were legislating against one another. They had tariffs against one another. Their antagonisms threatened the whole national organization. And when the time came for the convention here only five States were represented and the meeting had to adjourn before discussing the object of the call. Providence was watching over even that small attendance and those present had the vision to call another convention to meet in Philadelphia and devise some way out of the difficulties. All this is familiar history to you and so is that part Maryland played in the Northwest Territory which was summarized by John Fiske, "Maryland, by leading the way towards the creation of a national domain, laid the cornerstone of our Federal Union." So, the Philadelphia convention was held and George Washington became its leader and our first President, and the working out of the many problems began. Most of this was pioneer work and we must know that it tried the souls of our forebears. Think of the time and motion lost in their State contentions. For many, many years the boundary lines were separations, but, thanks to the good sense of the people, these conscious irritations melted away in the warmth of better understanding, so that today the *boundary lines of the American States are the invisible ties stronger than steel that bind the American Union into the imperishable mastery of the world*. I believe that since the Governors of the States have been coming together, as they are here today assembled, the very fruit and completeness of American solidarity has been achieved.

Consider what has been done, how our own nation was saved from dissolution and how we have driven out foolish jealousies and differences, and then we see that for the new

problems of the New World we have clear decks for action and united hearts for service and purpose.

If nations will come to understand one another as American States have come to understand one another, and to think and work together there will never be another war.

It is marvelous how differences and doubts and quarrels disappear in better understanding and that, gentlemen, is the thing the world needs today and which, we pray, may come out of the meeting in Paris.

I fear in time past we have devoted far more time and money to attempting to alleviate and cure evils, physical, social and political, than we have in attempting to find out the causes thereof and by removing the causes avoiding the evils. I understand that a great department is now being organized at Johns Hopkins with Dr. Welch at its head for research work into the causes of physical ills. So in regard to political and social evils, as well as physical evils. Let us find out the causes of insanity, the causes of poverty, the causes of crime. If it be intemperance, let us try the prevention as well as the cure. If it be the social evil, let us remedy the conditions and remove the evil.

Let us find out the causes for Bolshevism, for socialism, for anarchy, and, if possible, remove the causes. Nearly all of the isms have some element of right and are caused by some element of injustice. A proper study will give better understanding, and when we dig into conditions and causes we find that most of the causes are social. And thus we come into a new light, and, in the marvelous development of the social vision and unselfishness of our people, we have the miracle and the gospel of the new day of our new world.

It is inspiring, gentlemen, to greet you as the leaders in this work, and it helps us all to know that American politics have taken on new meaning since America went to war, and new and better forces have been released in every voting precinct of the land. The high minded youth who offered his life to win the war for decency and democracy is not going to be content to let his home county or his State stand still in the rapid march of great world events.

And with the active force applied to new social vision we have the most uplifting, the most inspiring and the most certain program of achievement that America has ever known.

I am proud of the fact that your first meeting after the war is in Maryland, one of the old thirteen original States, in whose borders are so many landmarks of the early days, and, indeed, in this old Senate Chamber, where the Father of our Country handed back his commission to the Continental Congress and retired to private life, after having won for us our independence as a nation. There is no parallel in the history of the world of the scene which was enacted in this Chamber on the 23rd day of December, 1783, a victorious general winning and establishing the independence of his country, the idol of his countrymen, as well as the idol of his soldiers, voluntarily resigning his commission and retiring to private life.

Upon this very spot where I now stand the Father of our Country then stood, delivered his farewell address, surrendered his commission, and standing by his side were his faithful aide, Colonel Tench F. Tilghman, a Maryland man, who made the famous ride from Yorktown to Philadelphia, carrying the news of Cornwallis's surrender, to the Continental Congress there assembled, and General Lafayette, of France, Washington's and America's faithful friend and ally.

No wonder then that Maryland holds sacred this old Chamber and has dedicated it as a memorial of the great event which happened here. Maryland is a proud State, proud of her traditions and proud of her history. No State holds in higher esteem those ancestors who distinguished themselves either upon the field of battle or in the councils of State in our early history. We speak of these not by way of comparison. We recognize that other States have equal right and equal claim to glory in its history.

We feel, too, that Maryland has a peculiar right to welcome the Governors of all the States, for in a way Maryland belongs in some measure to you all, for the National Capital was carved out of Maryland soil.

And then again, in this time of the downfall of autocracy the recognition of the brotherhood of mankind, and the over-

throw of tyranny throughout the world, where should we rather meet than in that State which was the first in the whole world to proclaim civil and religious liberty to all mankind who would come within her borders?

And now, too, may we not justly mention at this time of national pride and national rejoicing that the people of Maryland are likewise proud that it was a distinguished Maryland citizen, who, amid the shot and shell in the dawn's early light, as he looked out upon Fort McHenry and saw our glorious flag still waving o'er its ramparts, gave to us the anthem we have just sung, our National Anthem, the "Star-Spangled Banner?"

"The Stars and Stripes had floated before the front of two wars, before the kindling genius of a Maryland man, exercised in the white heat of battle, transformed the dumb symbol of national sentiment into a living force and made it the sublime and harmonious interpreter of a nation's pride and greatness."

I know not whether the flag that gave Francis Scott Key the inspiration for our National Anthem is or is not that same old flag, Old Glory, which is carefully guarded by us but which for the honor of this occasion, is now standing behind your chair, Mr. Speaker, but we know this old flag was carried by Maryland troops at the battle of Cowpens, was in the battle of North Point September 14th and 15th, 1814, and (it is claimed) is the only National flag in existence which was carried by Continental troops in the American Revolution and the oldest United States flag extant.

Gentlemen of the Conference, the whole State is yours today. I welcome you with all my heart. May the God of our fathers be with us today as he was in the days of our beginning and as He has been so manifestly with us in the great war which has so happily ended.

GOVERNOR CAPPER—Mayor Strange, of the City of Annapolis, will now present to you the welcome of the City. I have pleasure in introducing him to you.

MAYOR STRANGE—Mr. Chairman, Governor Harrington, Ladies and Gentlemen: I feel highly honored, indeed, to be

called, upon this auspicious occasion, to welcome to our historic City these distinguished representatives of other States. And I can assure you, gentlemen, that we, the citizens of Annapolis, feel highly honored to have you here.

Annapolis, as you all know, is one of the most historical cities of this great United States of America; and we always feel inclined to boast a little about it. There are many places of historical interest here that I know you will be delighted to see. Governor Harrington has already told you of some that I was about to mention.

In this grand old State House, George Washington, in the year 1783, resigned his commission as Commander-in-Chief of the Continental Army, in the old Senate Chamber, to accept the Presidency of the United States of America. There (indicating) hangs upon the walls of the Chamber a copy of his resignation address and also of his speech accepting the Presidency.

It seems to me that at this time in the world's history, at this time of readjustment of conditions in this country from a war basis to a peace basis, no better place could have been selected for this Conference of the Governors of the States to meet and discuss the grave questions of the readjustment of things that are so vital to this country. I have no doubt that out of the deliberations of this Conference much good will result for the benefit of the people, and that its influence will be felt at the peace table three thousand miles from here.

You know, ladies and gentlemen, that the Mayor of a city is only expected to welcome the guests to his city, and then take his seat and let those who can talk do the talking. But if you will pardon me a moment longer I shall be delighted to mention a few of the facts that make Annapolis historic and interesting.

The Charter of Annapolis was granted in the year 1708, just two hundred and ten years ago. In Annapolis resided two of the Signers of the Declaration of Independence, Samuel Chase and Charles Carroll of Carrollton. The citizens of Annapolis have always been fearless in the performance of their duties as they saw them. For instance, the burning of the brig, Peggy Stewart, which took place in the

year 1774, was proof that they were not afraid to do their duty. It occurred at mid-day, and everyone connected with it was well known. In all this patriotic business there was no disguise.

In the year 1785, one hundred and thirty-three years ago, the Convention of the States was held at Annapolis, in which the Governors and other representative citizens participated, and which led to the movement for a Federal Union and finally the framing of the Federal Constitution. In 1752 the first theatre in America was opened at Annapolis. In 1845 the United States Naval Academy was established here, which is now the largest institution of its kind in the world, and from which institution have graduated men that have gone forth to help make the world safe for democracy. Everyone realizes and knows what a large part the Navy played in the war just ended, under its great leader, Josephus Daniels. And right here let me say, gentlemen, that I think today all the newspapers that have been criticising Secretary Daniels and Secretary of War Baker should apologize to them before the first of the year. There is an apology due to each of them.

I know that you will enjoy a visit to the Naval Academy, where I am sure every courtesy will be extended to you, and I know that Admiral Eberle will do everything in his power to make it one of the most pleasant features of your stay in Annapolis.

When the United States declared war on Germany the patriotic spirit of Annapolis was at the highest pitch, showing that democracy and the same feeling of independence existed in this generation to the same degree as in the time of our forefathers, and that we were willing to make any sacrifice to help pay the debt to France, who helped us gain our independence.

According to population, I think Annapolis gave more of her sons to the Army and Navy than any other place in the country. Now we want our boys home as soon as possible. I am of the same opinion as Speaker Champ Clark, who said that now that we have helped save the world from the Huns, while he was willing to have his son help to do it, he did not

want him to play policeman. Send our boys back home and let England, France, Italy and the other Allies be the policemen. We have plenty for our boys to do in this country.

This is no time, however, for pessimism, and I am sure when the deliberations of this Conference are concluded the people of this country will know and will realize that optimism is the proper thing.

There are many colonial residences in Annapolis, which were built and occupied by our Colonial Governors and are still in a fine state of preservation. St. John's College, which is successor to King Williams School, and which was the first free school in America, has graduated many notable statesmen and is worthy of a visit from you. There are many other places of interest that I am sure you will be pleased to see if the time is available.

And now, on behalf of the citizens of Annapolis and myself, I extend to you a hearty welcome to this city, and sincerely hope that your deliberations in this Conference may result in much good and that the people of the States that you represent will be greatly benefited thereby.

I thank you for your patience and I present to you the key of the City, hoping that when you return home you will always have fond recollections of Annapolis.

GOVERNOR CAPPER—Governor Manning of South Carolina has accepted the appointment of the Executive Committee to respond in a formal way to the addresses of welcome. The secretary received information this morning indicating that Governor Manning will be here a little later than he at first expected. He was to be here at this time. It is now past one o'clock, and I think we had better adjourn for luncheon. In all probability, Governor Manning will be here when we reconvene and will make a response to the friendly greetings extended to us by the Chief Executive of Maryland and the Mayor of Annapolis, and Governor Manning will express our appreciation of the fine sentiments they have conveyed.

The Conference thereupon adjourned until 2:30 o'clock P. M. to meet in the Chamber of the House of Delegates, State House.

Afternoon Session

The Conference reconvened at 3 o'clock P. M. in the Chambers of the House of Delegates.

GOVERNOR CAPPER—Ladies and Gentlemen:

At the conclusion of our program this forenoon, it was announced that the response to the address of welcome would be delivered at the beginning of this afternoon's session by Governor Richard I. Manning, of South Carolina. Governor Manning has arrived but the committee in charge of the program has thought best to change the order slightly.

We are honored this afternoon by the presence of the Secretary of the Navy—I mean the Secretary of War and the Secretary of Agriculture. It is necessary that they should return to Washington early this afternoon, and we shall begin the afternoon program immediately.

You will have observed the program calls for Governor McCall of Massachusetts to preside. It is to be regretted that Governor McCall is unable to be here this afternoon but will be here tomorrow morning. The committee has selected as the presiding officer this afternoon the distinguished Governor of New Jersey, Governor Walter E. Edge, who has rendered distinguished service to his State and to the country during the war. I have the honor of presenting to you as the presiding officer for this afternoon Governor Edge of New Jersey.

GOVERNOR WALTER E. EDGE—Governor Capper, Ladies and Gentlemen of the Conference: I will not take your time with any extended remarks. This is a most important occasion. It happens at a most opportune time. Our States through their various State governments, have unquestionably become very much better acquainted with each other and with their mutual responsibilities in the past year and a half. There has been wonderful co-operation everywhere without any thought of competition in this great work. We have all attempted to contribute our bit, and I think usccessfully, to the great problems of the National Government. We are fortunate today, facing the problems of reconstruction, preparing to continue our contributions in order that the

nation may resume its normal life, to have two members of the Cabinet as our guests. They will unquestionably bring to us a message which will be of great help and assistance in our individual responsibilities.

The Secretary of War has headed, perhaps the most important department during the war, with such wonderful success that it is a great privilege that we may at this time hear from him the message which he has to bring to us. We have known absolutely no political division in the great responsibilities which we have had to meet. The response of the people, the men and women of this great land, has been perfectly wonderful.

Ladies and gentlemen, I present to you with much pleasure and satisfaction the Honorable Newton D. Baker, Secretary of War.

Honorable Newton D. Baker (Secretary of War)—Governor Edge, Your Excellencies, Ladies and Gentlemen: The momentary slip of the tongue which led Governor Capper to refer to the fact that the Secretary of the Navy was present this afternoon, recalls to my mind a typical experience that I had sometime ago. I received a letter from an unknown admirer who wrote to me two or three pages of the most enthusiastic personal commendation and admiration, expressed the view that my career had been a constant inspiration to him and said, in fact, that he was modeling his own life and advising his young friends to model their lives after mine. After proceeding in that fulsome way for quite a while, he ended with this sentence: "And among all the great things that you have done, the thing that impresses me the most is the superb way in which you have managed our great Navy."

We are at the end of the greatest war in the history of mankind. That war has come to an end by reason of the efficient overwhelming participation of our own nation. War having been declared in April of 1917, with a regular army of 190,000 men, we proceeded to get ready, and by December of that year we had a million men under arms. By the early spring months in the present year more than two million men were under arms. When the war practically

ceased on the 11th day of November, the aggregate army of the United States was 3,700,000 men, of whom more than 2,000,000 men were in France, and when the final blows were struck substantially 900,000 combatant forces of the United States were on the battle line.

The place where the back of hostile resistance was broken was at the historic town of Sedan, and that back was broken because it was the pivotal point of possible German retreats and it lay in the path of the American Army, to which was assigned the hardest position on the entire Western Front. At no period in this war was more terrible fighting done than in the last week of October and the first week in November. The brunt of that fighting fell upon the American Army, and we are entitled, as Americans, to feel a sense of elation and pride in the fact that, associated with veterans of three or four years experience, our army gave a superb account of itself, and that it finally became the very point of the sword which, thrust at the vitals of the Central Empires, forced the signing of an armistice which, in terms, it seems to me, were more humiliating than the sword of unconditional surrender.

And now that we are at the end of that hostility, we are entering the period of assessment of our experiences and the application of the lessons which the war has taught to the future progress of our country. And the first lesson which comes to me, as I face this company, is one of inexpressible gratitude to the Governors of the several States of this great nation. It gives me pleasure to be able to say in the most solemn fashion that from the outbreak of the war until its close every appeal of the War Department, or of the Council of National Defense, to the Governors of the States, met with a response not only uncolored or unclouded by partisan consideration, but with a great hearty response which showed that while that test was on we had abated all minor differences among us and had gotten ourselves fused into a community of citizenship which meant the ultimate aggregation of our entire national strength for this great purpose.

What is true of the Governors was true of the subordinate officials in the several States and the peoples of the States. And when some future historians undertake to recount the

things which America did in this war, the perfectly prodigious appropriations of money made by the Congress for war expenditures, when some future historian undertakes to take cognizance of and write in detail of the way in which America mobilized her financial strength, industrial strength, man-power and spiritual power, no small part of the success of the country will, in my judgment, be attributed to the fact that there was not undertaken a strongly centralized and dominant control of the affairs of this nation from Washington, but that the invitation was issued to the people of this nation to mobilize themselves under their Executive in their several States and localities, and by evoking the community power and strength of this nation we got a spontaneous mobilization, a response from the people themselves rather than one dictated by some momentary centralized power in the government. There have always been enough people who knew that in a population of 100,000,000 there were enough good people to work out the solution of this problem, but there were some who doubted that they could do for themselves. America's answer to this war has been the answer to this question. The Federal Government, refusing to undertake the administration of all these problems by a dominating, controlling, dictatorial power, invited the 100,000,000 to be the dominating and controlling power, and the demonstration of efficiency and virility and democracy among us is the finest demonstration of the character of our people and one of the real achievements of this great struggle.

There were agencies built up from Washington largely as a result of conference and consultation with the Executives of the several States, and I enumerate among those agencies the State Councils of National Defense and the very extraordinary machinery which was built up in the several States for the application and administration of the Selective Service Law, but in each of these instances, instead of attempting, from Washington, to appoint local representatives of the Federal Government, the call went out to the State Governments, the Governors and subordinate State officials, to select the members for the Councils of Defense, to be made up of persons known to them. And, when the draft ma-

chinery was to be put into action, local self-government, the community strength was again appealed to. And I think there is nothing in this war more spectacular, more unexpected to a large number of people, and in its complete success more unexpected to everybody, than the successful manner in which the Selective Service Law was applied and carried out and the uniformity obtained in its application throughout all the various States and the efficiency it showed as an agency for the raising of great armies.

Therefore, I take a great deal of pleasure in addressing the Governors of the States, in referring to the fact that this war—differing, I think, from every other war in history, so far as my knowledge of them goes—instead of adding to the aggregate of centralized power at the national seat of government, really has had the result of strengthening local government in this country and aggrandizing the importance and making more manifest the indispensableness of the State governments in our federal system. That is a great gain. I am sure I will not be misunderstood when I say the progress of institutional government in the past fifty years has been one which has given us all a great deal of thought. More and more functions appertaining to the State governments have been taken over by the national government, and there have not been wanting those who wondered whether the State government had enough left to do to maintain its ancient dignity and give it the strength and support which it ought to have. That was not unnatural. The problems which the States had to deal with were State problems, and when national transportation problems and matters of that kind came into being they became nation-wide in their scope and administration, and the problems which arose went beyond the confines of the State so that the Government was obliged to extend its power. But we have now a demonstration of the fact that there is in the State governments a relation so vital to our national strength, a relation so indispensable in times of emergency or disaster of any sort, a relation so essential in times of threatened difficulty, a relation so indispensable to the aggregate, that we know as the United States that from now on the dignity and importance of the

State government can never be questioned successfully as an essential part of our institutional system.

That leads me, however, to this thought: Now that the war is over and the particular things that you gentlemen, as War Governors, have been asked to do and have done, are somewhat in abeyance, what is there now for the Governors to do? I do not refer to the mere economical administration of State institutions and the questions of vetoing or approving local laws that are passed by your legislatures, but what does this war show the function of leadership in the several States to be toward that higher and better form of civilization for which we, as a nation, have engaged in this great struggle? I think the partial answer to that is not difficult to ascertain from what we have extracted from the people of the United States themselves. I shall, perhaps, omit many important things in referring to those that catalog themselves in my mind.

First, we have had and now have the most magnificent army ever assembled on the globe. I think I am not speaking in the language of vain compliment and that there is no taint of complacency in that comment. The American Army today is mostly of uniform age. It is made up of young men drawn from the rank and file of the life of this country, from the factories and the workshops, by a democratic process, so that they are a cross section of the entire life of the nation. Those young men were put into training camps, surrounded by an elevating, wholesome environment which was built up by community spirit for their protection and they left the United States not only strengthened physically and mentally, but helped by proper discipline and by having been surrounded by moral elements and influences of a wholesome character. So when they got to France they represented a new thing in the making of armies. And the reports of disease conditions, the reports of disciplinary infractions in this army are entirely different from those that can be found in the history of any army that was ever assembled anywhere at any time. For instance, there is not in the records of the Judge Advocate General's office in Washington a single case of capital punishment in the Army of the United States for

a purely military reason, not one. What nation ever fought a war before with such a history as that? The offenses—the military offenses—of desertion in the face of the enemy, unwillingness to fight, all of that pitiful sort of thing that has always affected the history of great armies, is totally out of the history of this army. And it was because we baptized this army of young men with a kind of idealism and equipped them with that kind of character that made them an army incapable of a lack of discipline and disregard of the nation's welfare, out of which those purely military offenses grow.

I have not been Secretary of War a great while, and yet I have been for some years, and when we went into this war I remember having talked with Generals of experience. We anticipated a recurrence of the old disciplinary difficulties, the drink evil and the things it occasioned. There has been almost none of it. A little here, perhaps a little there, but marvelously little. And we can say this of this Army, that its self-control, its abstinence, its comprehension of the fact that part of its patriotic duty was to keep itself fit to fight has so protected the morals of the Army that the old-fashioned disciplinary questions have almost entirely disappeared, and the unregulated soldier is brought into discipline by the disapproval of his associates more than by the disciplinary measures of his superior officers.

If it can be stated that is the character of the army we have, then it seems to me we ought to ask ourselves how we got it and how we can carry over into the future of young manhood in this country the baptism of virtue, strength, virility and courage and idealism which we managed to get in this emergency in this army. There are several ways. In the first place, low as it was in this country, the percentage of undeveloped young men and of physically defective young men was altogether too high. The records of our department show that about one-third of the men called to the draft were either undeveloped or physically unfit. And it was necessary for us to establish development battalions, it was necessary for us to reject a substantial number of young men, it was necessary for us to build up a new classification of men able to do limited service only rather than full service. I

think that challenges our attention very sharply to our duty, and it is a duty of Governors more than it is of Secretaries of War. It is directly a State function rather than a National function to see that those laws are passed in our several States and those measures taken in our several States which will rescue the young manhood of this country from any such proportion as one-third being undeveloped or physically unfit for military duty. I do not want to say how that shall be done, but I think we have learned that physical education is as important to the welfare of the youth in our country as mental education. From the time of Seneca down to now it has been realized in the cloister, whether practiced in the school or not, that in order for man to have a sound mind he must first have a sound body. So I think there is a real task ahead of those charged with the welfare of the community life of the States of this country to see that the schools are so allied to and affiliated with plans for physical development as to make the next mobilization of the youth of the United States, whether for peace or war, such that one-third of the young men summoned for duty will not be held in abeyance from that duty for training in development battalions or for limited service only.

And I think you will agree with me this war has taught us that many evils which we thought insuperable, ineradicable, are perfectly easy to overcome if we will just make up our minds to it. I have been, as many of you know, associated with a city government most of my life, and I know that the best people in the community had gotten into the habit of hiding their faces from evils which they were not brave enough to attack face first. Now, when this war came to be declared, when the Federal Government went into your States and asked the fathers and mothers of your communities to give their sons to the army, we in Washington realized, and you in your States realized, that we did not dare let those boys go back to their fathers and mothers with the consequences of any evils against which we could protect them. And we summoned the community strength of this nation to protect that army. We took great institutions like the Young Men's Christian Association, the Knights of

Columbus, the Red Cross, the War Camp Community Service, the Jewish Welfare Board, we used the churches, upstairs for services and downstairs for social gatherings, in your several States, and you rented halls and established harmless amusements for the recreational hours of the soldiers, and while you were trying to make a wholesome army and did do it, you were demonstrating the power of community sentiments, when properly coordinated, to overcome these ancient evils which it had been thought could not be overcome, because of our lack of confidence in the community to fight them. And if I may say it as a former City Executive—and I hold no brief now for any city government, although if the Governor of my State of Ohio were here he would probably say that I was expecting to go back to Cleveland and run again for Mayor—but let me make this statement as the result of an experience of a period behind me and never to be repeated, that as Governors of States you should sympathize with the problems of the City Executives. Do not cripple the cities in your States by denying them the power to accomplish those things which make for the welfare of the cities and the States which they ought to have. I know just how the situation all comes about. In a City Government some man steals, and then the Legislature of the State decides that man stole and nobody in the future shall be permitted to steal, and they tie everybody's right hand because some man stole with his right hand. The next man who comes along steals with his left hand, and the Legislature meets and says "You tried that on us once but you can't get away with it again," so the Legislature ties everybody's left hand. Then the next person who comes along steals with his mouth, and the Legislature gags everybody so that they cannot steal with their mouths, and then some very agile person comes along and steals with his feet, and the same process is repeated, until the City Government is tied hand and foot, and they are not only powerless to steal but they are powerless to be efficient.

In the upbuilding of the physical vigor, then, of the young men of this country, there is a task for the State Government and the local government, and it seems to me the giving of

that enlarged power to the municipal government is one of the essential things and one of the great things in which the Governors of the several States can be of the most weight and influence.

I realize I must not talk long in generalities about things of this sort. The other agency that I referred to as having been built up out of the States, and under the direction and guidance of the Government and of the State agencies, are the State Councils of National Defense scattered throughout the country. I know there is a good deal of inquiry on the part of the persons who compose those councils as to what they ought to do. Ought they disband or continue? Ought the State Legislatures make appropriations for the continuance of their activities or ought they not? It is a rather disappointing thing that one cannot answer that question with confidence that one is right. I do not see how anybody can answer it with certainty, and yet I think we can approach an answer.

These agencies were built up for the purpose of mobilizing the strength of the nation for war. We are now in the process of demobilizing these aggregations which we called into being for war. Industry is resuming its normal business-time functions. Men are now being let out of the army at the rate of twenty thousand a day, and within a few days we hope to raise that number to forty or fifty thousand a day. Those people must be absorbed back into the commercial, industrial and professional occupations of the country. Shortly there will be from two hundred thousand to three hundred thousand men a month returning from abroad to be demobilized. So that we now have the situation of the labor that was withdrawn from peace occupations and put into war activities being discharged from those war activities and returned to their peace occupations. This great body of soldiers will be seeking to return to their commercial occupations or to find new opportunities. There are just two ways in which that problem can be met. One is to meet it from Washington as a governmental problem, and the other is to meet it as a State and community problem.

So far as I am personally concerned, I believe it would be worse done if we undertook to keep the control and direction of all those assorting and re-arranging processes in Washington than if we turned it over to the States just as we turned the mobilization itself over to the States. And, my own personal feeling is—and I am speaking for myself alone—that we ought to get the States and the Federal Government into the same relation for demobilizing that we had in the mobilizing, and look to the people of the States to meet the problems arising in the demobilization of the youth of the country.

That does not mean, however, that Washington ought not to have an interest in the matter, for Washington has, by force of necessity, acquired a vast amount of knowledge about the business and industry of the country. Agencies like the War Trade Board, the War Industries Board and the Credit Board have made surveys of the industrial and commercial institutions of the country, and they have accumulated data and statistics, a great lot of sound generalizations with regard to business in the country have been drawn, and all of that information should be put at the disposal of the States, so that they can proceed on the basis of as much knowledge and accurate information as there is to be obtained, but I do not think that the National Council of Defense should maintain or seek to have maintained the State Councils of Defense as Federal agencies. I think we ought to look to a dissolution in the near future, as soon as practicable, of the State Councils of Defense. But I do not think they ought to be dissolved now. They are composed of representative men in all of the States, men who know the local, commercial and industrial conditions, men of ability and leadership, and their leadership is known and recognized. There are still highly important things for them to do. My word of advice is to retain the State Councils of National Defense as State agencies and to provide them with money to go on with their work as long as their useful functions can be performed. It may well be that after the National Council of Defense feels itself able to withdraw from the guidance of the State Councils of Defense it may be still well to main-

tain them in the form of Cabinets in an advisory capacity to the Governors of their States to carry along the work which they have carried along with such remarkable success during the period of war mobilization. They represent the center of the strength of the States. Around them are grouped the women's committees of various sorts, the voluntary societies, the public corporations doing public work of various kinds, and all the agencies and facilities in the several States for carrying forward a domestic policy that is state-wide in its application.

For the next four or five months in any case, it seems to me, their continuance is highly important, highly important from the national point of view and from the State point of view, of which I speak with more diffidence.

I think I have brought to you the message I intended to bring. Particularly I wanted to express my deep consciousness of and appreciation of the kind of co-operation which the Federal Government has gotten from the Governors of the several States of this Union, and I want to rejoice with you in the demonstration of the soundness of the democratic theory upon which our institutions are based. And last, I wanted to speak just a word, as I have spoken it, about the continuance of the State Councils of Defense as I have described them. The draft boards will be disassociated from the Federal machinery by the end of the present month. That seems to me wise. The only alternative suggestion was that they should be retained as a kind of terminal agency for the returning soldiers. As a matter of fact, the War Department properly so-called is not one which we would expect to have remain in the labor placing field. That is the function of the Department of Labor, and I think now that peace has come the War Department ought to help the Department of Labor all that it can but not compete with it or try to displace it, and my hope of the draft boards is they will retain their interest in the soldiers that they sent to the war, and, inspired with pride in the success of the soldiers, they will continue to have an interest in their success upon their return and that they will continue their organizations and place themselves at the disposal of the State Department of

Labor so that all agencies can be used in solving the question of demobilization.

I think I must say just one word in closing about the end of the war. We have now brought this war to a conclusion. I suppose other wars in history have been fought for as high ideals. I am not unmindful of the fact that certain great wars in history are called the Crusades because they were fought upon a theoretical, idealistic and religious basis, and yet this war seems to me, perhaps more than any other war, to have been fought, so far as our country's participation in it is concerned, for ideals. I was in the place where I think I would have heard if there had crept in any selfish motive to cloud the purposes of the United States as a participant in the war. Yet I never heard it. Abroad and at home we put away selfish considerations. Men stopped thinking about themselves. Over on the other side where our army was, a new set of virtues, a new attitude toward life grew up. Many of you have heard a story which is most significant, I think, of the religious Y. M. C. A. Secretary who asked the young men he was looking after to write a paper and send it to him giving the three cardinal sins. He knew exactly what he would have to warn them against as the temptations of youth at home. But he did not know what he was to warn them against over there. They were unanimous on Sin No. 1, and substantially so on Sin No. 2, and there was a fair preponderance of unanimity on Sin No. 3. The one on which they were unanimous was that the greatest sin in the world was cowardice, and the second greatest sin was selfishness, and the third sin for which there was a fair preponderance was "Bigheadedness." Now that actually happened in France and was so recorded there. But it happened here too. If you will just think of it, you will find that the people who have displeased you most and have seemed smallest to you in the last year and a half were those who were afraid, or those who were selfish or those who were vain in their own conceits. So that this war has engendered among us a new set of virtues, a new sort of largeness of attitude in our duties as men and citizens.

We say the war was fought "to make the world safe for democracy." I think it was. And now that our boys have gone over and fought the war and made the world safe for democracy we have a duty to them. We must make democracy safe for them. I had that thought very much impressed upon me as I stood on one of the great battle-fields of France, the battle-field of the St. Mihiel Salient. On a front of about forty miles in length I saw twenty-six hundred big guns shooting at one time, the largest assemblage of heavy artillery ever gotten together in any one place. And I saw the air so filled with air-craft, French, English, American, that the enemy was literally smothered and vanquished, and the great stretch of country which for four years had been in occupation by the Germans, and had been attempted to be captured three or four times by the French without success, had been in two days added to the rescued territory in France. And as I came away I saw the old men and women and the children who had been refugees. I saw them coming home again and I had a sense of elation and pride that America had repatriated this great company of old men and women and children and had given these people the opportunity to go back to their ancestral homes and begin again life where their forefathers had lived it. And as I came away from that battlefield I saw the place where we had paid the price. I saw the place where American soldiers lay who had paid the supreme price and who represent America's investment of freedom. And I thought we have sent over this great company of young men to do this thing. And when they have done it, they are coming home, and their greeting to us from the bridge of the ship will be "We did our part to save the world for democracy," and there will be a question in our minds as well as theirs whether we have done our part to save the world for democracy. Our task is to make life beautiful and sweet. We have based our military participation in this war on the ground of world democracy. Democracy is not only equality of obligation, but of opportunity. Therefore, we owe it to these boys, and to all boys in our local efforts, as communities, and in our larger efforts, as States, to see to it that the fruits of the victories which have been

won in France are preserved in our public and institutional life here. By preserving these great community strengths which have safeguarded this nation in the last two or three years, by increasing and nourishing these new-found sources of inspiration and these new ideals which have come to us as a nation, to win on the battle-fields of peace in America the battles of commerce, education, development and opportunity is to win as great and lasting victories as our splendid armies have won at St. Mihiel and in the Argonne Forests.

GOVERNOR EDGE—I know we all appreciate the splendid address of the Secretary of War. It was very interesting and it will be very helpful. It should be a great inspiration to all of us in returning to our home duties which he has pictured so emphatically and so splendidly.

Among the responsibilities, I think, which all Executives have been considering in recent weeks since we have had the assurance that hostilities had ceased, is the question of reclaiming land for agricultural purposes. It seems to offer a double opportunity: To enable those who desire it, the soldiers in the army, to have a chance to develop a business and also to contribute to the nation what we all know is so necessary by the development of our agricultural opportunities. I am sure the Secretary of Agriculture has a message for us which will undoubtedly give us many new ideas in our efforts to partially help the Federal Government solve that great problem. I present with great pleasure the Secretary of Agriculture.

Honorable David F. Houston (Secretary of Agriculture;) Governor Edge, Your Excellencies, Ladies and Gentlemen: I more than gladly subscribe to everything Secretary Baker has said in expressing appreciation of the cooperation of the Governors of the various States. I have contracted the habit of cooperating with Governors and the agencies under their direction. I suspect that the Department of Agriculture, both under terms of law and informally, cooperates with State officers in more enterprises than any other two departments of the Federal Government; and it has interested me no little that within the last five years a

definite policy of cooperation between the States and the Federal Government has grown up, a policy which carries large promise and seems to suggest the way out of some of the difficulties of double jurisdiction.

Shortly after I came to Washington, as you gentlemen know, the Smith-Lever Agricultural Education or Farm Demonstration Act was passed, under the terms of which the great State colleges of agriculture and the Department of Agriculture cooperate in aiding the farmer and in improving rural life. Under the terms of this measure, these agencies are required to make plans in advance and to execute them jointly. We, therefore, have the picture of these two great agencies constantly collaborating, working according to definite plans and no longer looking at one another across an imaginary line with hostility and jealousy. This Act was followed by the Federal Aid Road Act, under the terms of which the Department of Agriculture cooperates with the Highway Commissioner in each State. Later, the vocational education bill, administered by a board, of which I happen to be Chairman, became a law. It, too, requires cooperation with State authorities. So it is that, in a variety of directions, I find myself in a very real sense a part of the State Governments, cooperating intimately with your organized and helpful State establishments.

About four and a half years ago, when the challenge came to France from Germany to know what she would do in certain contingencies, and then to England, and I knew that a great war, which I had hoped might not come upon the world, was a reality, figuratively speaking, I stopped in my tracks for a month or more, so overwhelmed was I by the disaster which had come upon the world and which seemed to threaten civilization. Now that the fighting has ended, I find difficulty in readjusting my thoughts, as I am sure you do. Although I have not been the Secretary of War or the Secretary of the Navy, controlling belligerent forces, I, like you and all the other good citizens of this Nation, have been deeply interested in the fighting and immersed in war tasks. The war became so much a part of me that I find difficulties in turning my thoughts away from it.

But the fighting has really ended, and it has ended as I knew it would from the day this Nation was forced to enter it. Germany made many psychological blunders; but her greatest blunder was in thinking that anything the assassins of the sea, the submarines, could do to help her would be at all comparable to what this Nation could do to hurt her. She seemed to have the idea, many people had, that this Nation, going about its business in an orderly fashion, was not a dangerous Nation; that it was committed irrevocably to a policy of peace; that its mind was unalterably pacific. She ought to have learned a lesson from the past. The German rulers ought to have remembered that only two generations ago, when we were still a primitive people, doing things on a very small scale, still questioning whether we would be one nation or two, the two sections divided against each other, we raised two armies then either of which could have overcome any other army in the world. They ought to have known that, while we were not organized for war, while we were weak at the top, we were stronger than any other nation. It almost overwhelms one to contemplate the outcome and its results. You will agree with me that apparently one of the most firmly fixed things in the world a few years ago was the Romanoff Dynasty in Russia. It has disappeared. Even more firmly fixed, perhaps, were the Hohenzollers in Germany; and they have gone. The Hapsburgs of Austria and all the little princes and potentates have gone. The injuries to France are about to be redressed; the wrongs done to the Poles are to be righted; the rule of the Turks in Europe is ended; Palestine, after centuries, has been recovered to Christianity; and the lesson has been taught to arbitrary rulers or national bandits everywhere that international law is a reality; that treaties are not mere scraps of paper; and that the little nation, as well as the big, will have its rights respected.

Our rights have been vindicated and our freedom has been safeguarded. Great things have been accomplished. But unless we go further and make certain that a similar disaster shall not again overtake the world and that the combined forces of civilized nations shall be ready at any moment to

teach international bandits their place, the sacrifices of our boys in France, especially of those who have given their lives, and of all our people at home will, in a measure, have been in vain. Without effective concert of action on the part of the free and enlightened nations, four things of vast importance, so far as I can see, can not be secured. It seems to me to be a prerequisite for freedom of the seas, for disarmament, for the relief of the world from the burdens of militarism, and more than that, from the burden of the militarist, and for the dealing by nations in equitable fashion with backward territories and peoples. To secure the requisite conclusion in this matter is the first and most important task confronting our Peace Commissioners in Paris. Shall we not hold up their hands and give them such assistance as may be within our power?

In the meantime, we, here at home, have our tasks. In this, as in other times of great change, there is no little disturbance, confusion, unrest, and misapprehension. People are constantly violating a maxim which each man might to great advantage keep in mind. It is one of Mark Twain's best bits of philosophy. It runs: "Never get more out of an experience than there is in it." He illustrates it by saying that a cat which has sat on a hot stove lid will never sit on a hot stove lid again, but that the trouble with the cat is that, thereafter, it will not even sit on a cold stove lid. I had occasion recently to try this maxim on a very attractive Englishman. When I repeated the maxim, he looked puzzled. When I added the first part of the illustration: "A cat which has sat on a hot stove lid will never sit on a hot stove lid again," he quickly remarked: "Oh, rather!" That seemed to be all he could get out of it.

There is much confused thinking on matters which the Department of Agriculture deals. Many alarmist reports as to the present food situation and as to the world's future food supplies are appearing. Some of the confusion would be removed if people would distinguish between present needs and supplies and the probable needs and supplies after the next harvests. We are now concerned with available food supplies and present needs. The world for the next eight or

ten months must live largely on what has been produced. The question is as to the adequacy of the supplies to meet the current needs of the world.

This country at present is well circumstanced in respect to its supplies. No section of the American people did a better job than the farmers and the agencies assisting them during the course of the war. When we entered the war in 1917 our food situation was not satisfactory. We were at the beginning of the planting season. Many farmers had begun to plant. They realized that many men would be taken from the fields and naturally became apprehensive. Each morning for a time when I reached my office I would find stacks of telegrams from producers telling me it would be impossible for them to carry on their operations to feed this Nation and to help feed the Allies. As a matter of fact, however, the farmers the first year of the war planted 22,000,000 of acres more than in the year preceding our entry into it, and 35,000,000 acres more than during the five years pre-war average. They bettered this record in 1918, in spite of the difficulties and confusions, and secured yields which were beyond the average the Nation had ever before secured. I am not going to weary you with figures, but I know of no other way of indicating their performance than by running over the statistics for some of the leading products.

Of the principal cereals, the farmers produced in 1918, it is estimated, 5,638,000,000 bushels, as against 4,792,000,000 in 1916, and an average of 4,883,000,000 for the five-year pre-war period. Of tobacco, they produced 1,267,000,000 pounds, as against 991,000,000 pounds for the five-year average. They produced 917,000,000 bushels of wheat as against 728,000,000 for the five-year average, 650,000,000 in 1917, and 636,000,000 in 1916. They produced record crops of oats, 1,535,000,000 bushels in 1918, and 1,587,000,000 in 1917, with a peace average of 1,157,000,000. They increased the number of horses over that of 1914, 600,000, of mules 375,000, of milch cows 2,500,000, of other cattle 7,600,000, and of hogs nearly 12,500,000. They produced 8,500,000,000 pounds of beef in 1918, as against 6,000,000,000 in 1914,

10,500,000,000 of pork, as against 8,750,000,000, of milk 8,500,000,000 gallons, as against 7,500,000,000, of eggs 1,921,000,000, as against 1,750,000,000, and of poultry 589,000,000 head, as against 544,000,000. And the value of farm products, on the basis of existing prices is estimated at about \$24,500,000,000, as compared with \$12,650,000,000 for 1914, and \$11,700,000,000 for the five-year average. This increased financial showing does not mean that the Nation is that much better off. We should have to look for the real gain in terms of bushels and pounds; but it does mean that the returns of the farmer kept pace with increasing prices in the community at large.

In respect to wheat we are experiencing some embarrassment. The question is how the Government will effectuate its guarantee. As you know, the Government, in order to stimulate the production of wheat, fixed a minimum guaranteed price. That guaranteed price is \$2.26, No. 1, Chicago. Now, the farmers planted more wheat in 1917 than in any preceding year, with one exception. They planted over 5,000,000 acres more in 1918 than in 1917; and this fall they have sown 49,000,000 acres, which is 7,000,000 more than the record acreage for the fall of 1917. The condition of this fall wheat in December was 98.5 per cent, as against 79 per cent and 85 per cent in 1917 and 1916, respectively. On the basis of these figures, the estimated winter wheat crop is 760,000,000 bushels, which, with an average spring wheat crop, would give us at least 1,000,000,000 bushels in 1919. Remember that this wheat will not come into the market until next summer and fall. We shall need for domestic use about 650,000,000 bushels. Will the world take our surplus wheat at the price guaranteed by the Government?

Now, I am not wise enough to say just what the world will need from us in the way of food a year from now. England increased her production during the war. France increased her production this year over last. The Belgian farmers have been working. Nearly all Belgium was behind the German lines. Germany left nothing undone and is apparently in better circumstances with respect to food than some of us imagined. Southeastern Austria has considerable food.

There are supplies in southern Russia. The problem there is partly one of mobilizing local supplies and of transporting and distributing them. It does not require a prophet to say that the European nations will exert themselves to the very utmost this year to produce things in respect to which they can get a prompt response. England will not let down. France will extend her operations. The States of Austria and Italy will, as far as they can, extend theirs as will also Belgium and others. Shipping is opening up. There will be several hundred thousand tons of shipping released within the next few months. Australia has reserves of food supplies and her crop is promising, as are those of Argentina and Algeria.

I can not flatly assert that we shall lose anything in making good our guarantee. We may lose millions of dollars. But I do say that in order to effectuate the guarantee, Congress should make available to the proper agency a fund of not less than \$600,000,000, because the market price at which the world will take wheat may be from twenty-five cents to a dollar less than that guaranteed and the Government may have to purchase and sell the entire crop. I am assuming that it will not be deemed good public policy to try to keep the price above the market price and that the Government will not attempt to do so. We can not return to a normal condition if the Government attempts artificially to keep prices. To do so would involve great hardships also and necessitate a continuance of restrictions on an impatient people. Of course, I need not repeat that the Government will have to make good the guarantee.

Secretary Baker has spoken of the return of the army. What we can do for the boys who return is in all our minds. I do not know just what they will want us to do for them. A great many of them will not want us to do anything in the way of assisting them to find a task or a job. A Canadian representative was in Washington not very long ago, and knowing that Canada had been in the war for four years and that many of her men had come back who could work and were not going in the army again, I asked him what his experience had been in finding places for such men. He said

that 90 per cent of them did not want to be bothered at all and that they had the task of looking after only about 10 per cent. We may have a larger percentage to care for. There may be many men who have been working in munition factories, who have not been abroad, whom the communities and States should assist. That we shall be able satisfactorily to take care of them all, I think few of us doubt. The truth is we think too much about this country in terms of today. I wonder how many of you remember that between 1900 and 1915 we gained 24,000,000 people. We took care of them. Since the European war broke out, it is estimated that we gained a population of 3,200,000, which is just about equal the number we sent abroad and had in the camps. Now, we shall gain a million or more a year for the next fifteen or twenty years; and we shall take care of them. We are still pioneering this country. We have about 370,000,000 acres of land actually in cultivation and 1,100,000,000 acres of tillable land. I know of several States in the Union in which you could almost lose a million people, States which would be glad to get that many.

Let me hasten to say that our present emergency task is not an easy one. It is not always an easy thing for people who want land to acquire it. I am thoroughly sympathetic with any rational plan of land settlement that either the States or the Federal Government can devise; and I believe that land settlement has for too long a time been either without direction or in the hands of irresponsible promoters and private agencies. And I need not say to the Governors assembled here that it would not be a kindness to induce men who have no experience to go into farming without giving them assistance in the early stages of their enterprise. Farming is one of the most difficult undertakings I know; and nobody needs to know as much as the farmer, unless it be a Governor or a member of a legislative body. If the States could create an agency which would give to the people of the Nation seeking homes reliable information, the facts and nothing but the facts, as to available lands and the opportunities afforded, I believe they would render a great service not only to themselves but also to all the Nation.

For a long time we have been giving very systematic attention to agriculture and fostering agencies intended to assist the farmers. We began to do so a long time ago. The two most significant agencies in this country, or for that matter in the world, laboring to improve rural life, are the colleges of agriculture on the one hand and the Federal Department on the other. The foundation of both were laid in the time of another great crisis, during the Civil War. The laws which were influential in developing them bore the signature of Abraham Lincoln who, in the circumstances, might easily have said that the time was not opportune for such legislation and for the Nation to embark on such plans for spending money. But Lincoln was not an opportunist; he was a statesman, and he approved the bill. These agencies have slowly but steadily grown and expanded, and today, in point of personnel, financial support and effectiveness, they excel those of any other three nations in the world combined.

The last few years have been very fruitful of helpful legislation, State and Federal, in the field of agriculture. In 1914 the cooperative agricultural extension act was enacted. It is one of the greatest single pieces of educational legislation of which I have knowledge. It has resulted in the creation of a force, under the joint direction of the colleges of agriculture and the Federal Department, without parallel elsewhere in the world as an educational extension agency. Since we entered the war it has been greatly increased. At the beginning of 1917 it embraced about 1700 trained men and women. With the funds provided in the Food Production Act, supplemented by additional State and local contributions, the number was increased to about 5,000; and all these trained men and women have been working day in and day out, aiding the farmer in every possible way. Another important measure is the Federal Aid Road Act, under which, as you know, the Department is cooperating with your State highway commissions. Others are the farm loan, the grain standards, the cotton futures, and the Federal warehouse acts.

There is still other constructive legislation which I shall not take time to mention. There has been persistent con-

structive effort on the part of the Department and the colleges under their regular authorizations and appropriations. During the last generation especially many of the best minds of the Nation have been eagerly studying rural problems and working along very many helpful lines. I apprehend, therefore, that not many meritorious, novel proposals of great significance affecting agriculture are likely to be made. I believe that in this field we face not reconstruction and any revolutionary program but rather the task of selection and emphasis and of further constructive undertakings.

I have recently offered a number of suggestions which I believe will be highly helpful if they are adopted, if they receive the support both of Federal Government and of the States. Some of these are of direct interest to you for many reasons. They concern you especially because they will necessitate action on the part of the State authorities and possibly further appropriations.

I have in mind first the continuance of our extension work approximately on its present scale and the retention of the efficient members of the existing force. I have already pointed out that it was greatly increased during the war. I am sure that this agency has increasingly demonstrated its value. One concrete evidence of this is that the farmers themselves, through their local bureaus and other county authorities, are making local funds available to meet part of the salary of the agents. It seems to me it would be a serious mistake to disband the part of the force built up under emergency conditions. Most of the men and women added have demonstrated their value and have acquired familiarity with their tasks and valuable experience. The Agricultural Extension Act provides for successive annual increases of funds until 1922-23. I believe that we should not only anticipate these annual increases but make such other provisions as will obviate the necessity of partially disorganizing the machinery.

I am convinced also that we should not only resume in full measure, as promptly as possible, under the terms of the Federal Aid Road Act, the construction of good roads which

was interrupted by the war, but that we should make ampler provision for vigorously carrying this work forward. We now have available, out of balances accruing during the two years of the war and from the appropriations for the present fiscal year, together with amounts pledged by the States, over and above what is required to meet the terms of the act, approximately \$70,000,000. I believe it would be good policy to make further provision not only because of the great importance of good roads to all the people of the Nation but also because there will probably be unemployment in some directions during the coming year or years, and because I know of no other sort of public work which the Nation can undertake with a clearer certainty of adequate gain.

There is another matter of vast importance I have had on my mind for many years which I believe should receive the careful consideration of Federal and State authorities. I refer to the matter of improving rural health. I believe the time has come for effective legislation and action on the part of the two authorities in this direction. The Secretary of War a short time ago referred to the physical disabilities under which a high percentage of the boys entering the army labored. I do not think we can afford to neglect anything which will remedy the condition which the figures reveal. Is it not true that the advantages of modern medical science have accrued somewhat more fully to urban communities than to the rural? We know that today cities not only have the benefit of the services of the best medical practitioners of every sort, including specialists, but also of nurses, of modern hospitals, of clinics both for pay and free patients, and of sanitary surveys and medical inspection. Our rural communities are not so fortunate. They are afflicted with many preventable diseases and they lack the requisite provision in the way of hospitals and nursing facilities. I know, of course, that it is difficult to provide these things where population is less dense, but the difficulties of such a task should simply incite us to efforts to overcome them. In some sections of the country many millions of people suffer from malarial diseases, from typhoid fever, from the hook-

worm, and from tuberculosis and other maladies. I referred to this matter in my annual report to the President and urged consideration of and action upon it at the earliest possible moment. I have been very much interested to note that a bill has just been introduced into Congress providing for cooperation between the Federal Government and the States in the matter of improving rural health along lines similar to those provided for in the agricultural extension bill. I take the liberty of suggesting the importance of this matter to this Governors' Conference and of asking that it receive their earnest attention.

There is another matter of which I speak with more diffidence and hesitation. I refer to the condition existing in the States in respect to the agencies dealing with regulatory laws bearing on agriculture. It so happens that I am called upon to administer many Federal laws in this field, laws which vitally affect the people of the States and Nation. I administer the Food and Drugs Act and many quarantine laws. I am engaged in efforts, in cooperation with your State officers, to relieve the farmers from many unnecessary burdens imposed by animal disease. I find no little difficulty in securing effective joint action for three reasons, first, because in many of the States the jurisdiction of the different agencies dealing with agricultural matters are not well defined; second, because the powers are dispersed among a number of administrative bodies, and, third, because in some of the States the agency having the power has not the requisite funds. It has occurred to me that there would be great gain and larger service to the people if each State would make sure that the jurisdiction of the agricultural college and the administrative agricultural establishments were clearly defined. I believe that the agricultural colleges should be permitted to do the research and educational work within and without the college, and that there should be built up a great, strong State department of agriculture embracing all the administrative agencies dealing with agriculture with powers purely of an administrative and regulatory nature. This is the next great step to take to complete the official organization of agriculture. I am convinced that

it would lead to more sympathetic understanding on the part of the various State agencies and harmonious cooperation, and that it would very greatly simplify the tasks of the Federal Department where State powers are involved. This very important matter has received the careful attention of the Association of State Commissioners of Agriculture and of the Association of Agricultural Colleges. I understand that they have come to a satisfactory conclusion in the matter and have arrived at a common mind.

There continues to be much discussion of a back-to-the-farm movement. Every intelligent man will give sympathetic encouragement to any intelligent and well-directed movement to facilitate settlement in rural districts of people who desire to enter farming and who have the requisite experience and training to make their venture successful. The larger thing, however, is to keep in the rural districts and on the farms those who are already there. This can be done and can only be done by omitting nothing to make farming profitable and rural life agreeable and attractive. Farming, of course, must pay. Farmers must consider their bank balance just as other business men do. I had assumed that these were obvious facts. I see many articles which seem to carry the implication that there should be no limit to the farming population at any particular time. Of course, there is room in this country for more farmers. There will be more and more need for an increased number of farm owners as population expands. But we must clearly recognize that, in the long run, there will be just as many people in the rural districts as are necessary to produce the supplies the Nation and the world will take at a remunerative price. Clearly, those who have a responsibility in reference to food production must bear this principle in mind and must be guided by it in making any suggestions bearing upon the increase in production. We must omit nothing to facilitate the increase in the number of farm owners and to hasten the process from tenancy to ownership. We must continue our efforts to relieve the farmers of the burden of waste from preventable disease, both of human beings and of animals. We shall continue to do everything possible to promote soil

improvement, better processes of cultivation, and especially to improve the marketing and distribution of farm products. There are difficult problems in every field of agriculture, but more unsolved problems in the field of marketing than in any other. The Federal Government has created an effective Bureau of Markets which is doing much to aid the producers, but the problem is a vast and complex one. There will be needed for its solution the thinking of the best minds throughout the Nation; and it seems to me that the States can afford to do their part by the creation of State bureaus of markets which may cooperate effectively with that of the Federal Government.

We are now engaged in the great task of building a clean, strong, national household from cellar to attic. This is one worthy national aspiration about which there can be no difference of opinion. We owe it to all our people to realize it. We owe it especially to the boys who have offered their lives to preserve our freedom, to enable us to pursue our activities in peace. We know with what spirit and unity the people of the Nation served during the war. It was my privilege to go about the country and to mingle with them. I found everywhere a grim determination to vindicate our rights; but I found more than this. I saw manifested everywhere a spirit which reminded me more than anything else of the spirit of crusaders. There was no difference in any part of the country. I found it in the East in the more prosperous regions, and I found it in the West in distressed and stricken sections. I remember being in Montana in September in the very heart of a region that was sadly distressed. I was in a town on the very rim of the plateau overlooking the Glacier National Park. It was a little town, a new town, but the people were proud of it. I have never found anywhere a finer spirit among American citizens than I found there. I was sitting one evening in the hotel waiting for the train. A man came in and sat down to talk to me. I thought perhaps he had something to ask or some complaint to make. He did not seem to be very prosperous. I soon found, however, that there was only one thought uppermost in his mind and that was the winning of the war. I dis-

covered that I could tell him little about the causes of the war, its meaning or its progress. As I was leaving he said: "I have three boys in France and I want them to stay there until this job is finished once for all. I can scarcely expect to get them all back. Of course, I should like to get them all back. I hope, in any event, that I may get two or one of them, but whatever happens it will be their contribution to the cause of civilization and to the future welfare of this Nation."

Some time before this I traveled about the country with an humble French officer. After he left me he went into the far northwestern States to speak. When he came back he said that he must tell me of an incident that occurred. He was speaking in Boise. He said that a ranchman came up to him and told him he had traveled 500 miles to see a French uniform. He added: "Before my country entered the war my son went to Canada and volunteered. He fought for nearly two years with the-Canadians. A few months ago I got news of his death. Here is a card I have received showing the village where they tell me he is buried. This cross indicates his grave." The French soldier said to him: "My friend, you take this very bravely." "Well" said the ranchman "this is no time for weakness, but when this war is over I shall go to France, find that grave if I can, and lie down on it and have a good cry." The French soldier told me that two nights later he was speaking in Portland, Oregon, and that when he finished this same man came up to greet him. He asked him what he was doing there and the man replied that he was going to stay with him as long as he was in that section. The French soldier himself was deeply impressed with the spirit and ideals of our people; and he told me one of the most beautiful stories I have heard to illustrate the perception of this spirit by the French people. He said that one day he heard two of his soldiers from the country districts of France talking. He heard one of the say: "They tell me the Maid of Orleans heard voices. Do you suppose it is true?" The other shrugged his shoulders, turned to the Lieutenant and asked what he thought about it. He said: "Who knows? She must have heard some

sort of a voice. She had an inspiration to lead her country to freedom and deliverance." He said the soldier then asked: "Do you think the voice can still be heard?" and before I could answer the clear notes of an American bugle rang out over the valleys of Lorraine and I said: "Listen, the voices can still be heard."

May we not hope that the same spirit of patriotism and unity may animate our people in dealing with the vexatious problems of peace confronting us. Our Nation and its institutions were well worth fighting for. Now that we have safeguarded its freedom and assured ourselves of an opportunity to continue our national improvement, shall we not carry this same fine spirit into the great work that lies ahead of us?

Let us especially see to it that the people who have more recently come among us, having experience with governments and conditions greatly differing from ours, shall be brought to a knowledge of the spirit, meaning, and value of our democracy. Too many of them have little or no conception of what democracy means. They think too much in terms of their former homes and experiences. There they were fighting for the most elementary rights of men, and felt it necessary to resort at times to violence to secure something from arbitrary rulers. Unfortunately, too, there are those of long residence here with confused minds, ignorant or mischievous, who are busily engaged in making false representations and who may mislead the newcomers especially. There is no little evidence of at least a temporary emergence of a class spirit. Not a few are preaching the doctrine of syndicalism and some of violence. I do not believe in class government. I believe in government by all the people and for all the people. Our representative institutions are not perfect and will be improved; but I believe that they furnish the best foundations of government in the world and that, through them, our people can realize their worthy aims. Class government is the antithesis of democracy. Democracy arose as the result of a fight to put down one class. I do not believe that the people will permit the dominance of any other class in this day and time.

Every good cause can get a hearing in America and those who advocate it have an opportunity to attempt to persuade the people to their way of thinking. If they can do so they can secure what they wish at the ballot; and there is, therefore, no place in this country for any misguided minority which would seek to impose its law on the majority by resorting to violence. Not the least important problem confronting us is the Americanization of a considerable fraction of the American people; and I believe that the Governors of the several States of the Union have a peculiar opportunity in this direction to render a service of enormous value to their States and to the Nation.

GOVERNOR EDGE—I am sure we are all impressed with the splendid presentation of the relationship between the Federal Government and the States in connection with this important branch of our development. I am not sure the Secretary entirely appreciates the many problems the State Executives have from a financial standpoint, but I know we will all join with him and demonstrate our appreciation for the unquestioned policy he is pursuing on order that we may develop these many activities under the Department of Agriculture which are helpful to our people.

I wish to call on Former Governor Fort, the Treasurer of our Association, who will explain the balance of the program, and what pleasures we are expecting to enjoy from a social as well as the intellectual standpoint.

HONORABLE JOHN FRANKLIN FORT—Mr. Chairman and Gentlemen: I was hoping Governor Harrington would do this, but he asks me to go ahead and do it because I have been here in Washington when most of the officers of the Conference were a long way off, and I have done my little bit to try to help out.

Tonight there is a reception at the Executive Mansion given by Mrs. Harrington and the Governor to which all of the Governors and their guests are cordially invited. It will be held at 9 o'clock at the Governor's Mansion. I hope and know you will all attend. You will certainly miss something if you do not. Tomorrow, Tuesday, there will be a review of

the Cadets for your benefit at the Naval Academy, which is just a step from here. That will be at 4 o'clock tomorrow afternoon. Then, tomorrow night, there is something at Baltimore, a reception by the Press Club, and I am hoping that Governor Harrington will take an opportunity in the morning to give you some information about it. There will be provision made for taking you to Baltimore and bringing you back, if you come back. On Wednesday Secretary Daniels will speak here in the morning just before noon, and at the noon hour you will have the Mayflower at the wharf and he is expecting all the Governors, with their wives or whoever is accompanying them, to go on board the Mayflower at the time which he will state, and he will serve a luncheon on board the ship for the visiting Governors and those accompanying them. Secretary Lane, who was expected to talk this afternoon, has telephoned to me since I am here that he will also be here on Wednesday and deliver a talk on the subject of land for the soldiers, a subject in which all of the Governors, I think, are interested. He has a plan of his own which the Government will, I assume, eventually approve, if it has not already done so. He would have been here today, but like some of the Governors, Secretary Lane had a boy in the army—or in the navy—and yesterday that boy arrived home at Norfolk. He called me and asked me to have his talk postponed until tomorrow or Wednesday for that reason. I took the responsibility of saying that we had a full program tomorrow and that Wednesday would be a sort of field day and we would be glad to have him come with Secretary Daniels. After your trip on the Mayflower, Secretary Daniels has planned for the Governors to see and inspect the Battleship "Mississippi," one of the newest dreadnaughts of the Navy. He said he cannot give you such a time as he did in Boston two years ago because most of the ships are over on the other side doing their duty in connection with the war. When you return on Wednesday there will be a reception given by Mrs. Eberle and Admiral Eberle, the Superintendent of the Naval Academy, at the Eberle residence in the Naval Academy grounds. I hope everyone will attend.

From the experience that I had in San Domingo with Admiral Eberle I know you will find that he is one of the finest fellows in the world. I know I should not have succeeded down there but for his great knowledge of International law. Any other announcements that are necessary will be made tomorrow. The Executive Committee has tried to get through with as little of the social functions as possible during this Conference. You have always objected to having too many social affairs, and everything that has been arranged here you will find will harmonize with your working arrangements. I hope you will all take advantage of the opportunity to see the Naval Academy, because it is an historic spot and you will enjoy it.

Now, may I say one other word that concerns me personally. I have always asked this Conference for many years past—and perhaps this will be the last—I have always asked them to audit my accounts. The Treasury has money in it. That is not always the condition of the Treasury, but it is true this year, and I would like to have a committee appointed by the chairman to consist of three Governors to audit my books. I have given them to Governor Harrington, together with the vouchers, and he has them up in his desk. I will be away and I will be very glad if you will go over those books, and I ask Governor Edge to designate a committee.

GOVERNOR EDGE—You have heard the suggestion, and if there are no objections I will be glad to comply with the request. I designate Governor John G. Townsend, Jr., of Delaware; Governor-Elect D. W. Davis, of Idaho, and Governor R. L. Beeckman, of Rhode Island. If there is no further business, this session of the Conference will adjourn.

Thereupon, the Conference adjourned until Tuesday, December 17, at 10 o'clock A. M., at the same place.

Tuesday, December 17, 1918**Morning Session**

Presiding—GOVERNOR FREDERICK D. GARDNER of Missouri

The Conference was called to order at 10:45 o'clock A. M., by Chairman Gardner.

THE CHAIRMAN—Gentlemen, you will please come to order. We will begin the morning session with prayer by the Reverend Dr. Johnson.

(Invocation by Reverend Dr. Johnson.)

THE CHAIRMAN—I am sure that those of us who were present yesterday were deeply appreciative of the eloquent address of the distinguished Governor of Maryland, Governor Harrington, and now it is my privilege this morning to present the Governor of South Carolina, who will make response on behalf of the visiting Governors. It has been given to Governor Manning the privilege of presenting six sons to the Union. It is a great privilege indeed, and even a greater privilege because he has given one son who is buried on the battlefields of France to the cause of Liberty, to the cause of freedom, and to the cause of his country. Governor Manning, it is a great pleasure for me to present you, sir, to this distinguished gathering this morning.

(All members of the Conference present arose and greeted Governor Manning with applause.)

GOVERNOR MANNING—Mr. Chairman, your excellencies, Ladies and Gentlemen: I was unfortunate in not being here at the opening session of this conference and was denied the privilege of hearing the gracious welcome that was accorded us by his excellency, Governor Harrington, and by Mayor Strange, but it goes without saying that both spoke from full hearts. I feel that no more appropriate place could have been selected for the gathering of this first Conference of Governors following the signing of the Armistice. This is historic ground, and as the Great Father of our Country surrendered in this building his commission, it is fitting that

we as Governors of the States, coming here after the close of this war, should here lay down future programs and should again assume the duties of peace.

I do not undertake, Mr. Chairman, to speak of the past. The words which the Father of Our Country uttered and the policies that he enunciated have been handed down to us as a priceless heritage as has been the spirit which moved our people in 1776 to offer themselves on the altar of their country for the preservation of their liberties and freedom, and that spirit has been handed down to succeeding generations, and the spirit that moved them in '76, the spirit that was manifested by our men at Brandywine and Yorktown, is the same spirit that moved America to enter into this great war in defense of justice and right and liberty of freedom and civilization.

The Governors have not met in conference during the war. As a member of the Executive Committee we decided that the duties of the Governors at home in their own States were such as to preclude the possibility of their meeting in the usual way. I can say, Mr. Chairman, that I feel myself a sense of loss in not coming in contact with my brother Governors because at these meetings I have found that touch of the elbow, that sympathetic touch which helps us in the various duties of our own individual states. I feel now that possibly the Executive Committee made a mistake. Maybe it would have been better for us and maybe we could have discharged the duties that came to us possibly more efficiently and with greater ease. But we have witnessed, Mr. Chairman, great events. The past year has been a momentous one.

From the day when America entered this war there were doubts expressed by many of whether a Democratic form of Government would measure up to the task that devolved upon it by the magnitude and greatness of this war. The principle of local self-government was strong in our hearts and was a fixed principle of America, but in order to carry on this great world war it has been necessary to expand the functions of Government; it has been necessary to give autocratic power in the Central Government, and it is one of

the matters of gratification to us of America who have established our form of Government to realize that in an emergency such as has come upon us that there was elasticity enough in our form of Government to adapt ourselves to those conditions and to meet them in a thorough, vigorous and virile way. I feel, therefore, that now that the war is over it is well for us to come together in conference and resume our peaceful conditions, our peaceful duties, and I believe, Mr. Chairman, that as this country was united during the war to a greater degree than in any previous war this country has known, so I hope now that when we meet together in this way, when we go back to our States, when we confer with the Federal authorities and with our Congressmen, that we will have learned the lesson, learned the value of unity for strength, and that as the country was united in the prosecution of the war that so it will continue to be united and put aside sectional feeling, put aside partisan feeling and realize that we stand four square as Americans working for America and working for the individual states which compose our Union.

As I said just now the past year has been a momentous one. We all realize how dark the clouds of war hung at the opening of the year, how it looked like it was a stale mate on the Western front, how when that drive in March began by the Germans and success followed success, drive followed drive, how dark the days looked for the immediate future. I do not know that anything could have happened that would have so solidified our people and brought from them that response which meant the giving of men, or money and materials that that drive brought forth. It enabled us to put over in our States every demand that was made upon us by the Federal authorities in Washington, and I wish to take this occasion to pay a tribute to the States of the Union in that every requirement that was expected of them was more than discharged, more than met. Money, men, the work of the Red Cross, the Y. M. C. A. and all those kindred organizations which are undertaking to do a work that the Government could not do, and to support them meant a free gift from our pockets—they were met without

difficulty and in my State, while not undertaking to recount what was achieved, I will say we responded to every call and went over the top by a handsome percentage. But those, Mr. Chairman, were dark days and it was not until July when that famous conference was held between Marshal Foch and General Pershing at Chateau Thierry, when the question of putting in the fresh, the green American troops came up, when General Foch said that the French seem exhausted, that they were worn out with fighting and could not stand, and the question of putting in the Americans came up, Marshal Foch was uneasy about it. He asked the question of General Pershing, "Will they stand?" General Pershing said, "They will stand." Marshal Foch replied that America had just as much in this war as the Allies, and that on the statement from General Pershing, he would put the American troops in. That picture stands out before me as it was portrayed by one who was there. The American troops were drawn up in line and before that line the French veterans marched out from the front line. Within twenty minutes you could see vast hordes and waves of Germans coming across that field of wheat. And it was there that the splendid marksmanship of the American Marines told the tale when they stood with steady nerves and took deliberate aim and moved down the advancing hordes of Germans. That deadly fire was fatal; it caused a halt in that German advance, and the story of the war changed from that point. I do not think it is braggadocio, it is not claiming too much, to say that history when it is written, when impartial history is written of that war, it will be noted that the change in the tide of war was made at that hour and was made by the American Marines.

From that day on we saw kaleidoscopic changes. Defeat after defeat came to the Germans and while I do not feel that we of America won, I do say without fear of contradiction that without the American forces and American materials the war could not have been won.

Now, Mr. President, the war is ended and the issues of that war are settled. Autocracy has seen its death and the world has been made safe for democracy. Might will no

longer stand over right, and it comes to us now as Americans to see that as we fought in that war for our rights and our lives that we now should turn to the problems that come as the result of the war and to meet those issues with the same unity. And as we fought that fight for our lives and our rights, now we should fight for right and for justice and for the ideals which have been so closely upheld before us and put into language by our great president, Woodrow Wilson.

We are filled with a feeling of exaltation as the result of this great war, but with that feeling of rejoicing, with that feeling of pride, with that feeling of joy that comes from the victory of right over wrong and of making this place a safe and decent place to live in, that feeling, Mr. Chairman, is tempered by the thought of those boys who come back to us who gave themselves to the defense of their country, who consecrated it by their efforts, those boys that come back to us maimed, wounded, some of them blind, some of them rendered helpless for life, and further by the thought of those who will never return, whose graves in France are marked by crosses and decorated by the loving French women. But my feeling is, and I take this occasion to say it, that those of us who have made that sacrifice, whose loved ones lie there, we feel that our lives are richer for the sacrifice and that the cause has been consecrated by their death. It is one that we will honor and the feeling that I have is that America found herself, found her soul in this war, and no longer can it be said as was said by one in my presence at the St. Louis Convention when a peace speech had been delivered, some one asked him what he thought of the speech. He said, "The speech is wrong, but it is good politics, America is too fat to fight." That statement came into my heart like a stab, but this war has proven that America is not too fat to fight, that the soul of America is alive, and that in no war, in no age, in no time or clime has there ever been exhibited finer courage, finer metal and finer spirit than has been exhibited by the American troops in this war, and so, Mr. Chairman, we back here who were denied the privilege by circumstance or age, or what not, from being on the firing line, it comes to us now to see that America's place is maintained, that the

ideals for which we have fought are held constantly before our eyes, and that we are going to make of America the place which those ideals have portrayed. We have to approach now many problems. We have to see the transition that comes from war to peace.

I have spoken of the extraordinary powers that were assumed by the Federal government and while, as Secretary Baker said last night, the matter of selection of those men were with the States, it is still a fact that the Federal Government, the President of the United States, was given powers the like of which no ruler of the world has ever had, but that was for the duration of the war. Now that the war is won the duty devolves upon us Americans to work along the lines that will make this country a better place, where justice and righteousness shall prevail, where justice is given to the weak and where a man, no matter how lowly his position, may be accorded that protection which our laws and constitution contemplate. We must see that these soldiers coming from over there find us alive and working to these ends.

Secretary Baker said yesterday evening that the three traits which our men seemed to despise most were cowardice, selfishness and big-headedness. I believe he is right, but I want to say further that at a war council held in New York last summer the testimony of the men who had been over there in the trenches, men who had been working among our soldiers to alleviate suffering and to give those comforts that the Red Cross and Y. M. C. A. and other organizations could bestow, indicated that there were four things that stood out permanently among those men, as they found it. First there was a realization as never before of the serious aspect of life; second, the doctrine and dogma of different religions was a thing of the past, that they had come to disregard those things, but were after the essentials of religion; the third was that those men had reckoned with death and no longer feared it; and the fourth was the deep conviction that they have immortal souls and that there is an hereafter. Those men coming back to us will expect us to promote those essentials that will promote justice and right, and will

insure that every man shall be given those opportunities that under our constitution should be expected and enjoyed.

We have serious work before us. We should confer in this way. The social side of these conferences is delightful, and is enjoyed by all but should not outfeature the serious business side. I believe that all of us reap benefits by coming into contact with each other and by learning first hand the problems that confront one part of the country or another. We benefit by these Conferences.

I do not address myself to any particular subject dealing with the change back to peace conditions, but there has been much said about a reconstruction policy. I feel that that is a matter which will largely settle itself. From a close contact with many of the men in the army I find among ninety per cent of them but one fixed plan, and that is when they are discharged to return first to their homes, and after visiting there, to go back to their former employment, service or work. American initiative, the American business men, the American man in every walk of life, simply desires that war restrictions should be released and that they should be given the opportunity as business men, as laborers, or as professional men, to pursue their vocations in such a way as their intelligence and training will best equip them.

I believe, however, it is right for us in the different States to have a regard for the employment of those whose desires do not take them back and whose places have been filled. I have received since I have been here letters and telegrams telling me of public work looking for the improvement of living conditions of those working in cotton mills, that this work was undertaken during the war, but for lack of labor it has not been completed. They are beseeching me to get them help, and I wish to say here that I suppose that the Federal employment service, the Federal directors in the different states who have been successful in getting labor for the Government works, can be usefully employed in the period of transition, to direct those who need employment into proper channels.

I believe, Mr. Chairman, that the time has never been more propitious for an aggressive and distinct advance in our

educational system. The meaning of the word "efficient" has never been brought so clearly to our minds as during this great war. It becomes us, therefore, in the States to see that new life is put into the program of the educational systems of the States, but I wish to utter just a word of warning here, because I believe it is one of the temptations which is going to come to us. In our desire for more money to prosecute the work, to carry out in its various phases vocational training, the training of teachers in various kinds of education, we will be tempted to take federal money for those purposes, and my apprehension is that we may be tempted to take that money even at the expense of a loss of the rights of the States to direct and control the policies of the States. In other words, in the great works we are carrying on, we ought not be tempted to lose sight of the rights that are inherently States rights, and such a bill as is now before Congress, which provides for an appropriation of one hundred millions of dollars for education and that a central bureau in Washington shall have the determination of the plan of education and of whether the teachers selected shall be in accord with the policies and views of that department, involves a serious temptation. I feel, Mr. Chairman jealous for the rights of the States in those matters, and I for one am not willing to see that power transferred to the central government or any branch thereof, but it shall lie with the states to determine the character of those teachers, and the character of the education which is given to our people.

I do not know that the same danger exists in the matter of good roads. Certainly, as far as I see it, there is nothing that will tend more immediately to the development of our States now than the construction and maintenance of a system of good roads that will cheapen transportation, and will give our people in the rural districts such opportunity for social contact with others as will build up our rural communities, and add to our producers of wealth and promote education and religion and morals.

We have learned lessons in this war on the matter of health. I feel that nothing should be lost along that line;

we should not retrograde. The liquor traffic in our State has been so restricted and regulated as to demonstrate that it can be kept from our people. These restrictions have increased the efficiency of our soldiers and have advanced the morals and financial strength of our people. The question of health, the elimination of vice, on account of conditions that have been presented by the war, have enabled us in South Carolina to secure legislation by force of the needs as presented by the Federal Government which without the war I do not believe we could have secured inside of thirty or forty years. We have shown that laws that control liquor can be made operative, that results can be produced, whereas before it was thought just a dream and was put down as being impossible.

There is just one other thing I wish to say. We have all heard of the burden of the war in the matter of expenditures. We have heard of waste and extravagance. We have heard of expenditures by the billion; we have gotten our minds to visualize things on that scale. Now that the end of the war is here there is going to come a revulsion and a demand for economy, for retrenchment. This war has certainly shown us that there are certain things that the Government has undertaken, which, if it had undertaken before the war would have saved us from delay and loss. I refer here to the manufacture of optical glass, to dye stuffs, to pottery and to nitrates. Those are things that could only be undertaken by the Federal Government, and I say that the policy of the Federal Administration, notwithstanding the hue and cry about economy, should be to continue the development of such conditions and products as I have stated so that whatever eventuates in this country hereafter Americans will be independent of any foreign government for those supplies which until the war we were dependent upon from Germany and overseas countries. There are other plans laid by the Secretary of Interior and the Secretary of Agriculture which I think have merits and should be developed. It is not my purpose to detain you on that line, but I wish to say that I feel the benefit and the pleasure of our being here together to discuss these questions. I feel that America,

notwithstanding cost in money, notwithstanding the cost in life, notwithstanding the hardships that have come to our soldiers, because they have not come to our people, will feel that the whole cost of this war will be justified if now, having concluded that war successfully, having determined those issues for all time, certainly for our lives, that now we bend our efforts to those callings of peace which will mean the upbuilding of the citizen and the establishment of righteousness and of truth and of civilization in America. We are here to discuss these questions and I am grateful to Governor Harrington for having urged upon us the coming here to hold this conference because I feel that the Conference was opportune, and further to come here to enjoy the hospitalities which he, as the Governor of this great State, has bestowed upon us, and in these historic grounds the appropriate setting for such a Conference as we are now holding. I am sure that I speak for the Governors of all the States here, when I say to Governor Harrington that we are grateful to him and I speak with a full heart when I say we appreciate the whole spirit of patriotism and of hospitality that has actuated him. It has given us great pleasure and benefit to be here with you.

THE CHAIRMAN—I am sure that we have all enjoyed the comprehensive and eloquent address of Governor Manning. He has brought to our attention many vital questions in which we as Governors of the various States are deeply interested. Among those which he mentioned briefly was the question of education, and I think it is indeed fortunate that we shall now have an address upon the subject of a state educational policy from the great Governor of Pennsylvania. I do not think it is an exaggeration to say that perhaps no man in this broad land of ours is so well equipped by training, by temperament, by experience, to speak to this Conference on that subject as is Governor Brumbaugh of Pennsylvania.

GOVERNOR BRUMBAUGH—Mr. Chairman, your Excellencies and my friends: Before I present the paper announced I should like to ask the consent of the Conference

to present at this time the Governor-Elect of the Commonwealth of Pennsylvania, the Hon. William C. Sproul, who has just come into the room.

I ask for him all the privileges and courtesies of the Convention, sir.

Some Aspects of Reconstruction in Public Education

GOVERNOR MARTIN G. BRUMBAUGH of Pennsylvania

The war is over and won. Our boys are coming home in honor and in victory. Let us see to it that we come from this baptism of blood a revived and regnant people, leading the world in all that makes for righteousness, decency and justice. To us now is given the vital tasks of planning a newer democracy into which these sons of the Republic may enter when they come marching home.

War is always and everywhere an agency of destruction. The school is always and everywhere an agency of construction. The one tears down; the other builds up. The one weakens; the other strengthens. The one is inimical to the welfare of mankind; the other is propitious to the welfare of mankind. The one is a crime against society; the other is a benediction to society.

To the school in one form or another we must now turn for the rehabilitation of a broken and crippled civilization. In the soil of sorrow and blood the teacher must plant and propagate the seeds of the life individual and national that is to be. Whatever is visioned as the good in civilization must now be carved into reality in the lives of our people by the school teacher. Upon the solid and substantial service of the school rests the destiny of mankind, the fate of nations, the hope of the race.

When, in order to make good soldiers of our polyglot population, it became necessary to establish in camp and cantonment schools to educate soldiers, and when literacy was actually required as a requisite for all our men in arms, and when it was found that in training camps instituted to equip men for commissions the college men as a group easily led all the rest, it became manifest in a new and a

very real way that the strength of this Republic lay in right education of our entire citizenry.

We recognize in this Republic two types of schools,—those that are supported wholly by direct tax upon our people and those that wholly or in part are supported by private philanthropy. The former are the public schools. The latter are the private schools. The former are for the most part elementary and secondary schools; the latter are for the most part institutions of higher learning. The public schools train primarily for cooperation; the private schools train for competition. The public schools are avowedly agencies to conserve the Republic by fitting each citizen to use the tools of democracy—reading, writing and reckoning. These practical and essential subjects in the curriculum we shall always cherish and if wise we shall see to it that they are taught and learned in the English language and in no other. One cannot be a completely equipped citizen of this Republic that does not use the English language fluently. We assuredly do not need nor should we permit instruction, in the public schools, in the German language. The institutions of higher learning owe an obligation to the nation and to the whole world—the obligation of giving to all the results of the study, the research, the investigations, the discoveries of the specialist. This is the Republic's service to the world of thought. We dare not bottle up the free air or hoard up the sun, since

“Truth to us and to others is equal and one.”

Truth is larger than governments and scholarship must know no bounds.

Without attempting an analysis of the education given our people in the past, an education well in all our minds, I propose to submit a few of the changes that seem to be worth while as a result of this war-period.

I. *The school must widen its sphere of service.* Plato rightly held that education is as much the concern of adult life as it is of childhood. We sell citizenship in this Republic at a ridiculously low price. We welcome immigrants and we give them home and haven. But we should insist that every

immigrant must within five years master the English language or leave the country. We should also everywhere enforce by compulsion the education of all native born people. We shall be wise if we at once establish continuation schools and enforce attendance therein of all youths above the age of fourteen who are employed legally in industry, and these continuation schools must have more intimate articulation with industry. What right has any one to obtain work in America if he love her not enough to master her language?

II. *Each citizen should master a defined trade.* He may never resort to it for a livelihood; but he is the better citizen because of this special training. This is true of women as well as men. Moreover, the day may come (I hope it may not) when the nation will need artisans far in excess of the demands of industry in a time of peace. It has a perfect right to have in reserve and on call when needed a vast army of skilled workers who can on occasion turn to the serious and vital service of serving in an effective and practical way the nation's needs. It follows that there must be a more secure tenure and more nearly adequate compensation throughout the school system if the teacher is to meet the newer expectations and needs of the nation.

III. *We are a wasteful and extravagant people.* We have had the humiliating experience of being exhorted to save in food, in money, in fuel, in all the essentials of life. The schools must teach thrift and train our people to save and conserve. In the keen competition that will arise after peace is secured we must not only increase our production but we must likewise decrease our consumption of all forms of commodities.

IV. *The school must set a new ideal of national loyalty.* Some such quality as that which led men, naked, cold and hungry to endure at Valley Forge must reanimate our people today. We must serve the nation more willingly than we ask her to serve us. We must be taught to serve her and not to be served by her. The national will is nearer to us now than ever before. Let us teach our people gladly to support it.

V. *The school must be not only passively but aggressively moral.* We want men and nations that will regard a compact or agreement or treaty as a sacred thing to be kept inviolate and not as a scrap of paper to be tossed aside when selfishness or greed possess a people or a government. There can be no code of morals for an individual that is not equally binding upon nations. The school is the supremely important agency to set these standards in the souls of the people.

VI. *We have had a Prussianized American cult in our institutions of higher learning.* It must be banished forever. It is not suited to the soil of free America. For more than a generation we have been led to believe that our most talented youth should complete their education in a German university. This war has made an end of all that. No American parent will dare, when this cruel war is finally over, to send his son to a German university. Where then shall the best minds of our nation and those of our Allies receive the higher culture? Those at all conversant with educational systems abroad know it cannot be done in England or in France or in any other friendly country. It may well be, indeed must be, that in this oldest democracy of the world, which in His wisdom God has hidden away behind the sounding sea, the higher learning shall in the future be given to the capable minds of the world. Here with reverent faith in God and true democratic ideals we can train the diplomats of the world. We shall have an open-door diplomacy and a world serving search for truth. In our own great seats of learning better than in any other place known to men we can give course and current to the thinking world. Here we can welcome and educate in true piety and unselfish service the leaders of all nations. It is both our opportunity and our duty.

So may America realize, as her proper inheritance, the privilege of making real in the lives of men the ideal carved centuries ago upon the decayed gate of an ancient and almost forgotten city:

“In the midst of the light is the beautiful,
In the midst of the beautiful is the good,
In the midst of the good is God—
The eternal one.”

It is America's manifest destiny, her duty to the world, to find this center that we may abide under the shadow of the Almighty forever.

THE CHAIRMAN—This is a most remarkable paper which the Governor has just read, opening a great vision to all of us and the American public as to our duties and responsibilities upon the subject of education. I am sure that we shall all enjoy reading it, and studying the valuable suggestions the Governor has made.

THE CHAIRMAN—Perhaps there is no other subject more uppermost in the minds of the people at the present time than the question of labor and the results to labor of the war and the public in general. The Committee have asked the Governor-Elect of Arizona to speak on this subject and he has accepted the invitation. It is now my pleasure to present to you Governor-Elect Thomas E. Campbell, of Arizona. He will address the Conference upon the subject of "A State Labor Policy."

GOVERNOR CAMPBELL—Mr. Chairman, Gentlemen of this Conference and Visitors: To be assigned a topic of this kind coming from a sage brush state appears to me to be just a little bit unusual. I sometimes think that my selection was due to the fact that Arizona was so much in the public eye on the matter of labor difficulties and industrial unrest a year ago. The problem of Arizona and the metal mining states is a problem of their own rather than a problem for the other states in the Union. However, there are some things in common. And with your indulgence in the time allowed me this morning I will try to give you briefly our problem.

Our difficulties started about fifteen years ago when the well-known eight-hour law went into effect in Arizona. With that came the organization of trade unions. Several years later came the break in the metal mining trade unions, the great struggle between Moyer and Haywood. At the same time there was inaugurated a militant organization known as the I. W. W., better known to you now as the American Bolsheviks. And we went along with those

two contending factions, one fighting the other, with the mine operators between them.

Unfortunately we had in our State, as you have in other States, the absentee owner of big properties who does not come in contact with the workmen. As our small mines grew into big mines—and you all know Arizona is a copper state, producing almost 40 per cent of the copper of the world—the management or operators and the workmen found themselves farther and farther apart, the result being that they did not understand each others problems and continued to grow apart. Changes came also in the personnel of the wage earners. From the old time German, Irish and Scotch miner, we got the riffraff from southern Europe and from Mexico, and with them came radicalism and other “isms” and what we know today as Bolshevism, and when I tell you, and you will find it in a great many of the mining camps of the West, that there are from twenty-five to as high as thirty-two different languages spoken in a single mining camp, you can appreciate the industrial problem that confronts our mining industry. The labor turnover in it often amounts to one hundred per cent per annum, which shows that we are not finding permanent employment for a big class of people, a third of our workmen. We are not instilling into them that big thing that has been discussed here today, and that is Americanism. And that is our big problem, briefly, how are we going to amalgamate these people and inculcate into them our method of thinking and a reverence for our form of Government. It was a fertile field for the I. W. W. a few years ago and in a very short time the entire State was in a turmoil. It was not a question of wages. We paid the best wages paid in the United States for like work. In fact the average miner's wages today is \$5.41 for eight hours. It was not a question of hours. It was a question of ownership. And that thing is almost as rampant now as it was before and during the early part of the war. I think the same condition exists in every metal mining state in the West, with more or less in the way of militancy.

Conditions became so bad in 1917 that the Federal Labor Department sent to Arizona a commission headed by the Secretary of Labor, and after three months appointed a Federal Administrator for the handling of those problems. With us it has worked splendidly. We have had no labor difficulties in the last fifteen months, but unfortunately it was a truce only for the period of the war, and one of the recommendations I would make to this Conference is that this arrangement by the Federal Government be continued. If it can not be continued, I think something should be adopted as similar to it as possible. There should be a compulsory arbitration commission, and no matter how it may be formed, gentlemen, I have passed through this fire, whether it be a commission or a board, have your labor equally represented with your capital or operators, and have the Governor of the State the odd member and controlling factor. You can not shift responsibility, gentlemen of this Conference, to a board or an individual. It is impossible to do so. The Governor as the Chief Executive of his State is looked upon by his people as the proper person to bear the burden when these industrial difficulties come about. And the great difficulty, as I have found it, both in the experiences we have had and what I have been able to observe in other states, is the fact that this responsibility is shifted from where it belongs. It belongs upon the executive. There is no other recommendation I want to offer to this Conference and I hope that I will be able to put it into effect in my State and thereby outlaw the organization known as the I. W. W. and similar organizations that stand for its principles. You folks here, and I have had an opportunity of talking with some of the Governors of the Eastern States, do not know this menace. They are feeling it today in Russia and in Austria and Germany, and in the Balkan provinces and to a more or less degree we are feeling it in the West. All that you need to convince you that this movement is one that is a menace to this country is to live out where it is militant, where its adherents are considerable in number and dogged in the application of doctrines.

I think if those suggestions are put into effect and administered forcefully and fearlessly and with justice, that we can reap and will reap some of the benefits that we have experienced through Federal regulation.

I do not know what we will do out West after peace has been declared unless we take some such action. We know and you know our situation in 1917. We do not want that to occur again. We can not afford to have it occur again.

The trades labor movement itself is correct in principle and we believe in it, but unfortunately it is so permeated with this other virus that all that is necessary is to scratch under the skin among the mass and you find the same sentiment, the same sympathies.

I wish I had time to relate some of my experiences and you had the patience to listen to them, so that I could amplify the statements I have made. I refer now to others than the leaders who are contending for leadership among the I. W. W. on one side and trade unions on the other—I refer to the miners' union. There is no difference. The sympathy is there, the sentiment is there, the desire is there, and that is our great problem. If we can get rid of these Bolsheviks, if we can by any process bring into their souls a spirit of American ideals, then our problem will be greatly simplified. It is a big question, so very large that when the boys return from across the way and there is competition for jobs, which is sure to arise, we perhaps will experience disagreeable conditions.

I hope that the present splendid wages paid our workmen will continue and I will strive to maintain them as long as possible because I believe and know that until the present cost of living is reduced materially in our country wages can not be reduced.

We have no difficulty in our labor problems in agriculture. Unfortunately, the Department of the cotton industry in Arizona has brought in the Mexican labor to a great extent and it is not satisfactory, but during the war period it was necessary to obtain it. It is my hope that they will return home in due course and their places be taken by American labor because the Mexican, as we know him, and

I make this statement after a residence of all my life on the border, is also a Bolshevist in his thoughts and in his sympathy.

Our problem is with 39.6 per cent of our total number of male aliens, made up practically of these people. We have a real problem, but we are willing to try to handle it fearlessly, fairly, squarely and with justice, and it was my hope when I came here to this Conference to have this matter and other matters discussed formally or informally, so I could return with some assistance and some help in dealing with our problem, which is the Bolshevist of the West.

THE CHAIRMAN—Gentlemen, we have heard Governor Campbell speak of the problems of labor in his section of the West. We have on the program this morning the subject of Workingmen's Compensation, which is closely allied with the labor question, and I deeply regret that Governor Cox of Ohio is unable to be with us. I think that workingmen's compensation will be one of the principle subjects for discussion before the legislatures of the United States this winter. I rather have an idea that the labor unions of this country will present to the various legislatures workingmen's compensation acts based upon the principle of one now on the statute books of Ohio, that is to say the State Fund idea, and for that reason I particularly regret that Governor Cox is absent, and in view of the vast importance of the workingmen's compensation to the people of the country I have wondered if some Executive present here this morning is willing to speak informally upon that subject.

GOVERNOR-ELECT ROBERTSON—Mr. Chairman, Governor Williams of Oklahoma is qualified to speak on that subject and I am sure he will be glad to talk to us.

GOVERNOR WILLIAMS—Mr. Chairman, in Oklahoma our law is akin to the New Jersey law. In Washington and Ohio they have what is denominated the State Insurance feature. That excludes the liability companies. Our law is not a perfect law. Of course it was an experiment after the Washington and the Wisconsin laws were sustained by the courts. As you gentlemen who have studied this legislation know,

New York was the first state, one of the first states, to experiment with the workmen's compensation. New York's first law was held in the Ives case to be unconstitutional. It violated the due process clause of the state constitution and the Federal constitution. Since then New York has adopted another statute and it has been sustained by the Court of Appeals of that State. It is just a question of whether you want to experiment and let the State carry the insurance, carry the liability by the special assessments being paid in by the manufacturers or the employers." Although we are considered a radical state we thought we would approach the question carefully with the idea that any deficiencies would be covered by subsequent legislation.

As I said, our law is not perfect. We have what is called the waiting period. That means that a person has to be injured or kept away from employment a certain number of days before he comes under the benefits of the law. That is designed to prevent fraud. We have fourteen days waiting period and to my mind that should be reduced to seven. The maximum weekly allowance in our state is ten dollars. That is too low, especially on account of the war conditions and influences. That ought to be raised. I was not in favor and I don't know that I am in favor yet of the State Insurance feature. I won't say about that, but I wanted our law to be efficient and I was afraid of the Government handling it. As the Chairman said, the labor organizations as a rule are in favor of the State Insurance feature and the Ohio law represents their ideas. It seems to be an improvement on the Washington law.

It is my opinion that every state should have workmen's compensation and it is just a question of the legislature and the Governor getting together and getting the best law. As I said, our state experimented a little, and it is my judgment that it is the modern way. The law does away with the ambulance chaser; it does away with the professional damage suit man, and it is the best plan to give relief to the injured employe and to make the industry bear the burden rather than the Government. Every State should have a compensation act and the majority of the States now have.

Our State started with a fifty per cent basis. I believe a majority of the states now have gone to 66 $\frac{2}{3}$ % per cent basis of allowance. That is a matter of working out the problem and getting the best act to protect the workman and at the same time not putting too much of a burden upon the business. Of course the theory is to protect the injured man and not have him put a burden on society, to make the business carry the burden, but the very moment you are unjust to the business and make it bear too much of the burden, you can see what the consequences will be. The best plan is to have the maximum of protection to the workmen without having business unjustly burdened.

GOVERNOR GOODRICH—I was somewhat surprised, Governor Gardner, at the statement you made that the states of the Union would be confronted in January with laws providing for the workmen's compensation law along the lines of the Ohio statute. I know there is one state in the Union that will not be confronted with any such law. In fact, in Indiana there is no desire on the part of either the labor organizations or the employers to have the Ohio law. The men who are interested in manufacturing plants in both states and the working organizations familiar with conditions in both places are not disposed toward the Ohio law. Of course the whole problem of workmen's compensation is in a state of flux. In Indiana the waiting period is now seven days. It was fourteen; it was reduced to seven, and the minimum weekly wage is ten dollars and the maximum twenty-four. We pay 55 per cent of the total wage. The labor organizations will, perhaps, have that raised to 65 per cent. My information is there are about three states having 65 per cent compensation and I think you will find that the states that have 65 per cent compensation usually have a fourteen-day waiting period, and 55 per cent with the 7-day waiting period is far better than the 65 per cent with 14 days.

Two years ago upon Executive recommendation the General Assembly of our State lowered the waiting period from 14 to 7 days. Prior to that time the working people of Indiana stood 81 per cent of the economic loss. It almost

exactly doubled the amount of claims and the amount of compensation, and now they are still bearing, even under the Indiana law, which I think is one of the best laws in the country, 69 per cent of the economic loss. I take it that the theory underlying all workmen's compensation is that in as much as the working man now no longer selects his fellow workmen, and is bound to work beside whoever is assigned to that work, that the loss that results to him should not fall upon his family but should be borne by society. Now theoretically, the only sort of waiting period and the only reduction below the full amount of his wage is just whatever amount is necessary to prevent malingering because theoretically the injured workman should have 100 per cent, but the nearer you approach 100 per cent the more frequently you are confronted with the question of malingering, or men pretending to be sick when they are not sick, or pretending to be injured when they are not injured. But the tendency, I take it, of the broad minded manufacturer or employer of labor in this country will be gradually to approach that situation where society instead of the family of the individual working man will bear the economic loss, but each State must have due regard for the character of the laws in other states. In Indiana our manufacturers come in contact and are in competition with the manufacturers of Ohio, Illinois and Kentucky, more or less. We can not afford in our State to handicap our own manufacturers, but we will gladly in our State move along the lines of greater liberality in the workmen's compensation just as far as we are permitted by the laws of our surrounding states. I would like to know from the Governors of other states if there is any general movement to reduce the waiting period, to increase the compensation, or especially to resort to the Ohio plan of state insurance.

One of the criticisms against the Ohio law by the workingman is that the doctors of Ohio get practically as much money out of the compensation as does the working man himself. I know that is true in one or two plants in Ohio. In Indiana where we have the waiting period of seven days and the compensation 55 per cent the manufacturer must pay the doctor and the nurse and that is in addition to the

per cent allowed. In other states that does not obtain but is taken from the amount allowed to the employees. I think the question is of some importance.

I think we must deal with these social questions in a broad and liberal spirit for years to come and that your true conservative is the man who will look forward and meet these changing conditions and recognize the human element that is involved in all labor, that it is not altogether a commodity, that you are not dealing with inanimate things when you are dealing with the question of labor, and I think we must deal with these questions in that spirit.

GOVERNOR BRUMBAUGH—I just want to say a word or two that might throw some light upon one phase of this question, namely the insurance phase. I shall not speak of the general provisions of the Compensation Law, but in Pennsylvania when the question of insurance under the Compensation Act was under consideration we finally evolved a three-fold plan of insurance. Any corporation which can satisfy the fiscal authorities of the commonwealth of its solvency is permitted to carry its own risks. In the second place, any casualty company that cares to solicit business in the commonwealth has the right to do it. In the third place, the commonwealth has established its own insurance fund as a regulator upon the casualty company and sells insurance to employers at 10 per cent less, always 10 per cent less than the casualty companies sell insurance for. We figure and our experience has shown that our State fund would, under those conditions, carry approximately 10 per cent of the risks and we felt that a 10-per cent risk was sufficient to regulate the rates and it has so worked out.

It may interest you to know that 11 per cent of the business in the commonwealth is now carried by the State fund and that it is declaring this month a dividend of 15 per cent to be paid back to those employers who took insurance in the State fund instead of with casualty companies, or carried it themselves. I thought that might interest you as an actual working out of the insurance phase of the Employer's Compensation Act in the Commonwealth of Pennsylvania.

GOVERNOR BAMBERGER—How about the risk in the mines?

GOVERNOR BRUMBAUGH—Well, the risk is very great in our mines and of course the companies contended there just as they did in all other instances and objected very strongly to any form of compensation on the theory that it would add to the cost of production in Pennsylvania, and put our people in unfavorable competition with mining interests outside of the commonwealth. That theory was exploded when it was shown that the whole risk involved was less than a fraction of a cent a ton on all the coal mined in Pennsylvania, and when that was shown they shut up.

GOVERNOR BAMBERGER—Mr. Chairman, our State has practically the same law as Pennsylvania. In fact, our commission will report, as it has been stated by the Governor of Pennsylvania, that there is 15 per cent available for a dividend to people who have paid for the insurance. Our weekly allowance is twelve dollars minimum, going up according to the earning capacity of the man insured. As a matter of fact, 55 per cent is the amount paid and our Commission further reports that they have carried on the insurance business at an expense of 6 per cent, whereas casualty companies as a rule have expended not less than 40 per cent, and this reason is given for establishing the State Insurance.

Now, as it is proposed in our State to virtually adopt the Ohio law, for that reason I was more anxious perhaps than any other Governor here to have an opportunity of listening to Governor Cox, for it is proposed to prevent companies from carrying their own insurance any more. In fact, the plan is to require state insurance, exclusively, despite the fact that as far as we have gone without exclusive state insurance our experience has been very satisfactory. Our waiting time is 10 days, with very prompt attention, as far as the doctors are concerned, and the Commission supplies the doctors without any expense to the party insured, and besides that it saves a great deal of litigation, unpleasantness and sorrow. And, as it has been intimated by Governor Williams of Oklahoma, many lawyers—I ought not to call

them lawyers—professed lawyers, had to go out of business, so we are certainly entitled to some credit for putting lawyers out of business. Every State can not succeed in doing that. We are proud of that in fact, so I say that I believe the Governors will find that the question is going to be agitated. I am satisfied it is going to be agitated by the labor unions. In fact, they are very anxious in our State, but we have not had any difficulty with our labor, although we have many large mines, we have been very fortunate. We have gotten along very pleasantly and hope to continue so, and yet the labor people are very anxious to have the state insurance made exclusive, so I think we ought to prepare ourselves and look up the matter and I, for one, am very anxious to have information upon it, and when some of the other Governors get home this problem may be waiting for them.

THE CHAIRMAN—I think Governor Bamberger's judgment is correct, Governor Goodrich. I imagine you will find perhaps in your State and perhaps among many of the States of the Union that during the coming sessions of the Legislature the labor interests will present the Ohio plan for adoption.

GOVERNOR GOODRICH—I might say in answer to that that I have had a meeting of the officers of every labor organization in Indiana and discussed this question thoroughly. There is absolutely no such demand in our State. It may be in other States, but I have called in conference heads of the labor organizations and manufacturers both, and it is not there.

THE CHAIRMAN—The labor interests have prepared bills to be submitted in the Missouri Legislature the coming winter and have given me copies of them. My understanding is that the laboring people take this viewpoint. They endorse the Ohio plan for the reason that the State says to the employer on the one hand that you must compensate the employe. They say to the employe, you must accept this specified sum for compensation. The State having acted in that capacity then must assume the position of trustee and

the State therefore has no right to place a burden of 40 per cent upon the employer and the employe because if the State operates the fund as trustee it can at the same price pay the employe 40 per cent additional compensation. The State is therefore in a position to adjust claims without dispute and my understanding is that in those States where both plans are in operation it is not satisfactory to the laboring people because frequently the employer will buy the casualty insurance and then they find themselves frequently in lawsuits over technicalities with the casualty company. I believe, therefore, that this is going to be one of the principal questions for discussion before the various legislatures this coming winter.

The casualty companies naturally present the other side when they say that the State can transact any sort of business cheaper than a citizen can transact it, that their living is necessary, and in some quarters I understand that state insurance is suspected as a step in the direction of socialism. Therefore, it is a great question for consideration and I regret exceedingly that Governor Cox is not here, for I understand that Ohio is the pioneer in the State Fund idea.

GOVERNOR LISTER—Mr. Chairman, I may say that the Industrial Insurance Commission plan was adopted in the State of Washington in 1910. From its beginning it was the compulsory rather than the elective plan. There was great opposition on the part of the liability insurance companies in its early days. The Supreme Court of the United States held our act to be constitutional. There have been some changes made in it. There is, at the present time on account of the increase in cost of living and the higher scale of wages a strong sentiment in favor of increasing the allowance under the act. The amendments along that line will without doubt come up before the coming session of the Legislature. We have now under the Acts some 250,000 people. We have the medical aid provision, adopted some two years ago. We are now working upon the merit rating plan. That has not been adopted, but it probably will be in the near future.

THE CHAIRMAN—What about the State Fund idea, Governor?

GOVERNOR LISTER—We have the State Fund.

THE CHAIRMAN—Exclusively?

GOVERNOR LISTER—Yes, the amount of money paid out to the claimants during the two years period has been approximately four millions of dollars. It is steadily increasing as the number engaged in the lines of activity covered by the bill increases.

THE CHAIRMAN—Do I understand correctly that the casualty companies are prohibited from writing insurance in your State?

GOVERNOR LISTER—Yes.

THE CHAIRMAN—Is there any further discussion upon this subject?

GOVERNOR BRUMBAUGH—I should like to utter a word of warning based on experience in framing compensation laws. There are two things underlying all compensation legislation that ought to be kept steadily in mind. First, there is the certainty of compensation and second, the speed of compensation. Now, there are two things which must be kept out of the laws. The first is the possibility of contributory negligence entering in. I would wipe that out of every law. Never allow that to be set up as a defense. In the second place, wipe out the appeals to the Courts, and let the decision of your Compensation Board be final. That gives some speed in the compensation to the man who is injured and makes him certain of his compensation.

GOVERNOR WILLIAMS—In our State contributory negligence is no defense. The only question is whether the injury is wilful on the part of the employe, and there is no question that the labor organizations in the country want a State insurance feature plan. There is no question about that, and one of the reasons they want it is the suggestion made by the Chairman. With the liability company every

claim they can defeat saves that much and so they scrutinize these claims very carefully and contest them before the Commission. The workmen figure with the State as trustee it will look out for these men and treat the cases from a more humane standpoint, and this is one of the arguments they make. They further argue if the State can carry the insurance cheaper the employer gets the benefit of it and consequently business will be more prosperous and it is better for them from a wage standpoint. It is just a question of starting a new thing. With me I have always believed in starting slowly and surely and not getting up too high and falling back. If the State insurance feature is the best they ought to have it, and if it is as good as the other they ought to have it. There is a legal question when it comes to making the Board a final authority. In most of the State Constitutions unless that Commission is embodied in the Constitution and has judicial power as well as administrative power, they would have the right to have the legal questions reviewed by a court of competent jurisdiction, and those are questions that enter into it. If we are going to have the judgment of the Commission final it will probably take a constitutional amendment in most of the states to do it. Where you impart not only legislative and administrative, but judicial powers in that Commission, you give rise to serious Constitutional questions.

GOVERNOR BRUNQUIST—Governor Goodrich, I was wondering what your objection is to the Ohio plan, whether it was due to the State Insurance feature or due to some other feature of the law.

GOVERNOR GOODRICH—I have no objection to the Ohio plan at all. What I stated was this, that I called together for a conference the manufacturers and the leaders of all the labor organizations of the State. Neither wanted the State Insurance plan. We have in our State, as in Pennsylvania, a plan by which a corporation can carry its own insurance if it satisfies the Commission of its financial responsibility. What I say is that the labor organizations did not desire it and the manufacturers did not desire it and I was more than

surprised at the statements of some of the Governors here as to the labor organizations desiring to have some such law as the Ohio law. The Indiana law has worked fairly well. There will be some amendments, perhaps, to it, but they aim principally to regulate the rates, to say to the casualty companies, "You can charge just so much," and if the rate is high and unreasonable they can reduce it. There will be some other small measures changing the administrative features of the law and perhaps to make the maximum thirty dollars a week. I think there will also be an amendment taking away from employers the common law defense of no negligence. In order to ascertain the real sentiment I called these conflicting interests, ordinarily called conflicting interests, together and I know I am not mistaken when I say no bill of that sort will be considered in the Indiana Legislature.

GOVERNOR PHILIPP—Wisconsin has had a Compensation Act for six years. The matter of protecting the insured and the beneficiaries under the Act came up in our State at least two years ago in the Legislature and we have met it in this way. We created a Commission of which the State Insurance Commissioner is a member. That Commissioner has the right to issue a permit to any indemnity company that wishes to write insurance in the State. It has the right at the same time to fix the rate which this company may charge. Under that scheme we have protected the manufacturers against excessive rates, and at the same time the insurance commissioner or the Commission of which he is a member controls the right to do business in the State, and that in itself is a control of the financial responsibility of the institution. That has worked out very well so far. The companies that are writing business in Wisconsin are entirely solvent and they are writing at a rate under which they can live. Before we had that act there were a number of indemnity companies who were taking risks in Wisconsin under conditions under which they could not continue to exist as solvent companies and that made them insecure carriers of insurance, and if the manufacturer in the meantime happened to go out of business or became insolvent the employe lost. So, we felt we could protect the employer

against excessive rates and at the same time protect the employe who has a claim under the law. Under the present arrangement the question of State Fund has not been seriously urged. I don't believe the State could administer that kind of insurance any cheaper than the private corporation. So long as the State has the right to make the rate which the employer must pay, there does not seem to be any possibility of an excessive rate or a rate that will pay an exorbitant profit. So I feel that in our State it is not a serious question. At least it has not been raised.

GOVERNOR SLEEPER—We have a law similar to that in Pennsylvania and it works out very well. We have had it on our Statute books for three years. We have a compensation board and we have the 14-day minimum and 50 per cent compensation. That will be changed this year to 7 days and at least 60 per cent. We have the State insurance and we let the casualty companies come in and write insurance too. I have not heard very much objection as to the rates of the casualty companies because it is optional and they automatically work back and forth. If they are too high employers can insure with the State. The State has an insurance fund and I am sorry to say that perhaps the casualty companies do the most business. We have a compensation board of three members and I do not believe that one case in five hundred is ever appealed from that board. They usually settle them up and they have inspectors if necessary, going about the State to see if there is any difference of opinion between the employer and employe. If there is they make some adjustment. So far in our State it has worked out very satisfactorily. I might say it is optional whether the manufacturer carries it or not, but as the Governor of Pennsylvania has said, we have some very nice companies who are perfectly able to carry their own insurance and I understand they are perhaps more liberal than even the State or other companies. For instance, we have some very large mining companies in the upper peninsula who carry their own insurance and I understand it has been very satisfactory to all concerned.

GOVERNOR PHILIPP—In Wisconsin we have attempted to increase our fixed schedule of allowances for certain injuries and we have made substantial progress along that line. We do that upon the theory that the one thing to be accomplished under a Compensation Act is prompt settlement. If a man ever needs the money it is the day upon which he is hurt, and we find that that is the sentiment among the laboring men. They want their aid as promptly as possible. The agreement of schedules is made by the consent of the representatives of labor on the one side and the representatives of the manufacturers and employers on the other. We now have quite a large schedule of allowances that has been agreed upon as entirely satisfactory. In the case of any accident that comes in under that schedule, the man gets his money immediately. The appeal that has been referred to here,—from the Board to the courts,—you can not cut off. We cannot take that right away from a citizen. If he is not satisfied with the finding of the board he has a right to have his day in court, but there are very, very few cases of appeals. I do not believe that in the State of Wisconsin more than five or six cases have been appealed from the decisions of the Board within the last year. That indicates that both the employer and employe are satisfied, and as the work goes on and becomes better understood and a better understanding is arrived at, I think even a greater satisfaction will develop on both sides. Of course there is one element, the personal injury attorneys, with all due respect to the profession, who have lost a rather lucrative practice as it used to be, and they have tried to create more or less dissatisfaction, but the experience people have with litigation is so unsatisfactory after they settle with the personal injury attorney that even that is becoming unpopular and people are usually satisfied to take the finding of the Commission rather than make a 50-per cent contract with some lawyer.

GOVERNOR CORNWELL—There is just one thought that has occurred to me which has not been touched upon and that is the States where they have the State insurance feature, where the State administers the fund and con-

tributes to it, whether or not those States are endeavoring to accumulate a surplus in that fund.

I might say that in West Virginia we do not have compulsory insurance in so far as the statute goes, but we have it in fact. That is brought about by the fact that the company or industry which does not take out the insurance with the State is denied the common law defenses and this compels the employers to take the State insurance. It is contributed to by the State in only a small amount. It is entirely satisfactory. There is no appeal from the adjustment of the State Compensation Commission, and the fact that the employers are denied the common law defenses leaves them to contribute to the State Insurance Fund. We have accumulated something like a surplus of four millions of dollars in six years time. That is invested by the Board of Public Works, and it is the intention to accumulate the fund so that in cases of mining disasters we will be able to take care of the contingency. We produce a lot of coal and once or twice in our history three or five hundred men were killed in one explosion, and we try to keep a large surplus in order that those extraordinary occasions might be taken care of. The surplus now is about one hundred and fifty thousand dollars a month in that fund, and it is being accumulated so rapidly we think we may be able to reduce the rate because the fund may get so large it may become dangerous. The whole proposition has been entirely satisfactory so far as the employes are concerned.

So far as the employes are concerned, as has been suggested, the cost of living has increased to a point where we will have to increase the compensation. We have, however, what perhaps no other State has—that is three miners' hospitals in different parts of the State where those people who are injured in the mining industry or in any line of industry are treated free by the State, and in those cases there is no payment out of the compensation fund, but where they are treated in the private hospitals, of course the cost of treatment is paid out of that fund. We not only treat them in these hospitals, but the State also appropriates money to a number of private institutions where men are

treated who have been injured and that relieves the fund of a great many payments and is one reason we have such a large surplus.

One thing those of you who endeavor to meet the situation will have to contend with is the casualty companies. Of course our plan puts them out of business. We found, by not excluding them, but simply taking away the common law right of employers, that that settled the question so far as the casualty companies are concerned. Of course most men, including employers, do not want to go into court in a damage suit with the common law defenses removed.

The larger part of this exclusive State insurance is borne by the industry. The State contributes a small part. It is practically industrial insurance paid by the employer. The one thing that makes the compensation system satisfactory, as some of these gentlemen have suggested, is prompt and full payment. People are willing to take less for an injury, we have specific sums that are paid for the loss of an arm, leg, eye, and so forth, and men are willing to take a lesser amount if they can get the money when they need it and without any commissions and promptly while they are in distress. So in the compensation feature there are three things of importance, first, settle the question of getting the compensation. Second, the workmen know they are going to get it immediately, and third, do not distribute the insurance between the casualty companies and the private corporations.

GOVERNOR-ELECT CAMPBELL—What do you pay maximum for death in West Virginia?

GOVERNOR CORNWELL—It is graduated according to the industry. It is worked out on an insurance basis according to the hazard and industry. It is rather a complicated scheme. The compensation is based on the industry and the rate of payment is based on the industry.

THE CHAIRMAN—Governor Boyle's name appears on the program for today. He has wired the Secretary that he has been detained, but will be here this afternoon.

It is now one o'clock, but before adjourning the Executive Committee have allotted ten minutes' time to Mr. Moulton of the Department of Labor, who desires to speak for that length of time on a matter pertaining to public employment during the reconstruction period. Following the ten minute time allotted to him I presume it will be in order for us to adjourn for luncheon.

MR. H. G. MOULTON—The end of the war has brought the Government face to face with the task of demobilizing its armies and war workers, and returning them to ordinary occupations. The thoughts of the men in the armies are already turning towards home and to their future work in the world of commerce and industry after the war. It is no simple task, that of demobilizing several millions of men and as many more from war industries; for the problem is not merely one of mustering out—it is also one of finding positions in industry.

The general problem of demobilization is presented in the accompanying chart. On the right hand side of the chart are three reservoirs of men. The reservoir nearest the middle of the chart represents the men and women who will be discharged from munition factories. The number of these is not accurately known, but is probably three or four millions. The rate at which they will be discharged is subject to some control by the Government. Contracts for war work were let by the War and Navy Departments, and they contained cancellation clauses. Most of them can be cancelled immediately at the order of the Government, but the Government is endeavoring to cancel them with some system so that not all of these workers will be thrown into the labor market at once. However, it is probable that these contracts will practically all be cancelled by the first of January. There are a good many cases, however, where men will be retained in war work. The ship building is to continue for another year or so because the world's supply of shipping is short and because we wish a merchant marine of our own. The navy building program is also to continue for some time—until the program which had been laid down is carried through.

The second reservoir on the right hand side of the chart represents the men under arms in the United States, about 1,800,000 at the time of the signing of the armistice. These men, every one knows, are already being mustered out, and in the course of a few months the camps will be practically empty. The argument for mustering them out immediately is that with the war successfully concluded they should be returned to productive industry as soon as possible. To keep them in the camps and give them military training which they will never be required to use would be a fruitless waste of money.

The reservoir at the extreme right of the chart represents the men under arms abroad, roughly, two millions at the time of the signing of the armistice. The returning of these men to the United States is a much more complicated problem than that of emptying the cantonments in this country. The rate at which they can be released from the army depends upon military expediency or the use of these men for police purposes in Europe. A large body of our troops may be required in Europe for many months, if not for years, in order to maintain order. The establishment of a League of Nations will require an international police force, and American troops must be made a part of such an international army. Just how many of our men will be required abroad is as yet undetermined and will remain undetermined until after the conclusion of peace.

But the rate at which these men can be brought from Europe is, however, not merely a question of the rate at which they can be released from army service. It depends in large part upon the available shipping facilities. In the upper right hand corner of the chart are listed the contingencies upon which the rate at which the men can be returned to the United States depends.

It depends first upon the volume of available shipping, (a) American, (b) Allied and neutral, (c) German. In connection with American shipping, the rate of transport depends in part upon the volume of shipping and its effective use, and in part upon the division of these shipping facilities. Policies must be formulated with reference to the

division between trade and transport. This is not a simple problem, because much of our trade must go on if the world is to have provided for it the necessary supplies and raw materials, food, etc., and it will be a very difficult matter to make a wise apportionment of our shipping facilities.

When we come to consider the Allied and neutral shipping, the problem is even more complicated. About 75 per cent of our troops were taken to Europe in Allied and neutral ships, and only 25 per cent in American ships. Now that the war is over, it will be impossible for us to ask the Allies for any large use of their ships. In the first place, there are about one million colonial troops who must be returned; about 500,000 from Australia and about 500,000 from Canada. These men have been in Europe much longer than our own troops and have a prior claim to be returned. In addition, Great Britain has large numbers of her own troops in Asia and the near East, and these must be returned to England.

Besides this, England has her own trade problem. Because of her island position, England depends much more largely upon foreign trade for her economic well-being than does any other country. Her trade has suffered seriously during the war, and if her industries are to be restored and her laborers returned to ordinary occupations, it is absolutely essential that England's trade should be restored.

France will not have a very large quantity of shipping available after her imperative trade needs have been met, and so far as the neutral shipping is concerned, we have no claim upon the neutral countries for the post-war movement of troops.

In connection with the German shipping, numerous problems arise. First, we might require Germany to give us her ships in payment of an indemnity. Or we might merely confiscate the German ships and utilize them in carrying our troops to the United States. Or, finally, we might make an agreement with Germany, whereby we could use her ships in carrying troops to this country in exchange for supplies to be taken back for use in Germany. A policy with reference to German shipping has not, however, been formulated,

and as a result we do not know just what use can be made of the German shipping.

In view of all these considerations, therefore, all that we can say is that we do not know at present how fast the troops can be returned from Europe. It may be at the rate of 300,000 a month or it may be at the rate of only 50,000 a month. In any event, we can know that they will shortly flow back to this country in a fairly steady stream. Together with the flow back from the cantonments in this country, from war industries, and from immigration, this makes up the total flow of labor into the labor market.

In discussing the right hand side of the chart, it remains merely to point out that in case these men can not be returned from Europe, owing to a scarcity of shipping, as fast as they can be released from military service, some provision must be made for their employment there. The chart, therefore, indicates the possibility of some "buffer employment" in Europe. This buffer employment may take the form exclusively of education, or it may be work in connection with the physical restoration of Europe; or it may be a combination of education and war reconstruction work. Policies on this subject of buffer employment have as yet not been officially formulated. It is probable, however, that there will be a combination of education and work in connection with the restoration of France and Belgium. If a thorough course in education is to be instituted, there must be much planning for it. It will require the preparation of materials and texts; and a large teaching force will be necessary.

The employment of men in the restoration of France and Belgium, and possibly Russia, will involve reaching international agreement with these countries. There is no question but what Europe should be physically restored as soon as possible, but the employment of our men there can not be considered apart from the demobilization of the French and Belgian armies and war workers and their absorption into industry. It has been stated by Belgian officials that Belgium has a sufficient labor supply and that their need is for raw materials to be furnished by other countries. It is

probable also that the French labor supply is also fairly adequate. Of course great numbers of the French have been killed, and many others incapacitated, through injury, for ordinary tasks. But there are something like 200,000 Chinese laborers in France, and also large numbers of Italians and Portuguese. Great numbers of women have also been pressed into industry and a large percentage of them will wish to remain, partly because of the independence it gives them and partly because of the necessity for supporting themselves.

But even if it does not interfere with the problem of the French and Belgian labor situation, there still remains to be worked out the very serious problem of how the purchase of raw materials, etc., is to be financed. France and Belgium have incurred enormous costs during the war, and are heavily in debt to both England and the United States. They cannot at the present pay us any cash, nor can they pay us by the shipment of goods to the United States. They must first have time to recover. The question, therefore, arises as to whether we are willing to furnish them these raw materials on credit, that is, on their promises to pay us back at some future date. If we are willing to do this, and that becomes our policy, it will still be necessary for us to raise enormous sums by taxes and additional Liberty Loans and wait many years for our returns. There are many who believe that we should adopt this policy. As yet, however, no policy has been formulated. It is one of the questions that will come up at the Peace Conference.

In connection with the restoration of Russia the problem is still more complicated by virtue of the industrial and political disorder that exists. Nobody knows at the present time what the future of Russia will be. We should do all in our power to help Russia to recuperate as soon as possible. But the uncertainties in the situation are such as to make it extremely difficult to extend aid to Russia.

Turning now to the lefthand side of the chart, we find in left-hand corner a series of reservoirs into which the returning soldiers and laborers must go in seeking employment. The names of these reservoirs are taken from the classifica-

tion of types of industry made by the War Industries Board. The first reservoir at the right is called "essential industry." By that is meant industry which was essential before the war and during the war, and which will be essential after the war, such as agriculture and the manufacturing of basic necessities of life. The shaded area of this reservoir indicates the extent to which it is now full of employes. The unshaded area indicates the possibility of absorbing additional laborers there. The next reservoir (reading toward the left) is that of "curtailed industry." This means industries where full production was not permitted during the war because of a shortage of laborers, raw materials, etc. The unshaded area indicates roughly the amount of expansion and employment that may occur there. The next reservoir is "suspended industry," which means industry that was closed down entirely during the war, leaving only an office force. The unshaded area indicates the increase that may take place there. About 700,000 men were released for war service during the war from these two reservoirs—curtailed industry and suspended industry. If they return to normal, therefore, 700,000 men can be employed.

The next reservoir indicates industry which was converted during the war from peace production to war production and which may at the end of the war be reconverted to peace purposes. The next one is industry which was built up during the war, and which may now be converted to peace production. These two reservoirs are at present full of workers employed on government work. Temporarily many of them will be thrown out of employment with the stoppage of war orders, but as soon as these plants are reconverted to peace production, these laborers can be reemployed. Hence, these reservoirs do not permit any expansion. They may, however, result in some lessening of unemployment.

The last reservoir on the left of the chart is that of new industry to be developed after the war. The lower lefthand corner indicates land settlement—a plan is now being worked out by the Department of the Interior at Washington.

It is one thing to draw these reservoirs and indicate that labor may eventually flow into them. But the real question

before us is, will these jobs be available as rapidly as the men return from the reservoirs on the opposite side of the chart? If the jobs do not open as rapidly as the men return from the army and from the war industries, we will have a large amount of unemployment and a serious lowering of the rate of wages, which might lead to hard times and a great deal of industrial distress.

Now the rate at which these reservoirs of employment will open depends upon a large number of factors which are briefly indicated in the upper left corner of the chart. Starting at the top to read, we find that the rate of opening of employment depends upon *The Utilization of Productive Equipment of the Country*. We have a large amount of agricultural area and we have plant and equipment,—that is, factories and machinery, railroads, highways, etc. These constitute the capital equipment with which laborers must work. It is probable that there is sufficient plant equipment and natural resources to provide for the full employment of everybody, but the rapid utilization of this productive capacity of the country depends upon a number of factors.

It depends, first, upon the effective demand for the products turned out by these factories. Business men are engaged in production for profit,—that is, they are manufacturing goods at a certain cost and selling these goods at a price enough above that cost to give them a return for their work. If the costs are very high and the demand for their products not very great, they make losses rather than gains. If industry is to go ahead, therefore, there must be sufficient evidence for the business man to induce him to take the risks of industry.

Not only must there be an effective demand, that is, a demand great enough to insure a profit to the business man, but he must be able to secure the necessary supplies of raw materials. The world's supply of certain kinds of raw materials has been greatly reduced by the war. There may be in certain cases, therefore, some difficulty in getting the raw materials needed for manufacturing purposes. But even if the materials are available, the price of them might be so high as to deter the manufacturer from buying them. Not

only must there be sufficient supply of raw materials available, it must also be possible for the manufacturer to finance his production. He must borrow funds from banks or from individuals through sale of stocks and bonds. Quite as important as the ability to sell stocks and bonds at all is the question of the rates which he will have to pay. If the rates are very high, the manufacturer may be deterred from going ahead.

Returning to the question of the demand for the products of industry and hence for men to turn out these products, it should be pointed out that during the war there has been a curtailment of the demand for luxuries. Now that the war is over, people will replenish their wardrobes, buy new furniture for their homes, etc. (This is listed on the chart as the *trend of demand*.) On the books of manufacturers are large numbers of orders which could not be filled during the war period. While many of these orders may be cancelled, there is no question but what manufacturers will proceed at once to fill large numbers of them. This will give employment for a good many workers and will help the general situation.

There has also been a great curtailment of building projects of every sort—several hundred millions of dollars worth of public works, such as treets, highways, city water works, sewers, lighting establishments, etc. Now that the war is over these interrupted works will be resumed and those will give employment to a great number of men.

If these projects are started, not only will laborers be required in the construction of public works themselves, but raw materials for their use will require many laborers in their production. This also will tend to increase the rate of industrial recuperation. The production of materials used in the restoration of France and Belgium obviously will increase the employment in basic industries.

Plans for the rapid conversion of war industries (reading down on the chart) to a peace basis would tend to increase the rate of industrial resumption. Many of the industries which have been partially converted to war production have had in mind the return to peace and in many cases the plans are already worked out for a rapid resumption.

Where the risks are very great a policy of government insurance whereby the business would be protected against loss in case they went ahead to increase production would also hasten resumption. It is not probable, however, that any comprehensive policy of this sort will be inaugurated, because it might appear although Congress was playing favorites with particular business.

The Government must resort to certain policies, however, during this period of demobilization, which might retard the rate of industrial recuperation. Among these policies may be mentioned the following: Control of Trade, and Taxation Policy. The control of trade is necessary, as was indicated on the other side of the chart. If the troops are to be brought home quickly, some trade must be curtailed. Moreover, if materials are to be furnished for the restoration of Europe, it may mean that certain kinds of foreign trade should be restricted. If the volume of shipping is not great enough to handle at once the movement of troops, unimportant trade, and virtually essential trade, it is clear that the unimportant trade should be restricted. This would necessarily interfere somewhat with the restoration of certain kinds of industry. Perhaps more important than the restriction of trade is the taxation policy after the war. It is necessary to raise enormous sums of revenue in the coming year in order that the men remaining in the army may receive their pay, in order that the war insurance may be met, in order that troops may be employed in the restoration of Europe, in order that funds may be furnished for the sending of raw materials to Europe, and in order, finally, that the troops may be returned and eventually mustered out if the large amount of taxes required is levied exclusively on business, it may prove a serious deterrent to business enterprise. Congress must handle this question with great care in order to encourage rather than discourage business enterprise.

THE CHAIRMAN—Before adjourning Governor Harrington will make a statement to the Conference.

GOVERNOR HARRINGTON—Gentlemen, I want to announce to the Conference that the Press Club of Baltimore City has

arranged for an entertainment for the visiting Governors tonight. They will give a fine entertainment and smoker at the Press Club and I think all who can go will appreciate it very much. They will have the best talent that the theaters of Baltimore City can afford and they will very much appreciate having the honor of entertaining the Governors at this smoker. The train will leave just back of Carvel Hall between 6:30 and 7 o'clock, and we would like those of you who can go to be ready at 6:30. I would like all of those who can possibly go to do so. Mrs. Harrington has arranged a theatre party in Baltimore City for the Governors' wives and will go on the same train, and she would like to have as many of them as possible to get into communication with her this afternoon.

I am likewise requested by the Red Cross, the Local Chapter, to ask the Governors to sign as a member of the Red Cross. They take it for granted that all of the Governors have signed or will sign in their own states, but there is now a drive going on all over the country which began Monday and they have requested that we all pass through the southern entrance and go through the form of enrolling. This is a demonstration all over the country and the Governors themselves are taking a leading part in endorsing the Red Cross movement.

At four o'clock this afternoon, or about quarter of four, we will leave and walk down to the Naval Academy where the superintendent will entertain us for an hour or an hour and a half.

THE CHAIRMAN—We will now take a recess until 2:30 o'clock P. M.

Afternoon Session

GOVERNOR CAPPER—The Executive Committee have asked Governor Cornwell of West Virginia to preside this afternoon and I take pleasure now in presenting to the Conference Governor Cornwell of West Virginia.

THE CHAIRMAN—Inasmuch as it has been announced that at four o'clock the Governors are to review the cadets at

the Naval Academy, I take it you will want to begin business right away. It seems that the first thing on the program this afternoon is an address by Governor Boyle of Nevada on "State Labor Policy "

State Labor Policy

GOVERNOR EMMET D. BOYLE OF NEVADA

Gentlemen: In the multiplicity of problems confronting the governments of the world, the nation and the states today, it may be said that the problem of establishing proper social and economic relationship between employer and employe is at once the most urgent and the most difficult.

On its solution may depend the lives, as such, of new democracies abroad. Into it enter, at home, the passionate hopes of millions of men and women in every social group that the inherent morality of a great Democracy may so assert itself as to give living and immediate proof of the ability of a Republic to automatically provide in practice the social justice which it professes as one of the articles of its creed.

With it comes the call for sharp differentiation (after a period of artificial control of the natural law governing barter and trade) in the consideration of human effort and that of the insensible agencies and commodities in all of our plans that go to the proper utilization of both.

It comes at a time when America no longer may claim position at the apparent forefront in the humanitarian movement of people from lower to higher stages through the instrumentality of government, for half the world is aflame with the fiery outburst of long suppressed passion for the right to live as free peoples are presumed to live, and is going far afield in universal demands for industrial democratization. The hitherto controlled and outwardly docile people of the central empires, freed at last from the yoke, are rioting in an uncharted sea of impatient and impractical means to their idealistic ends; the feet of the Russians are not upon the ground and their heads are in the clouds; untutored and long exploited people to the south of us are

going through the bloody labor of a new birth of freedom which expresses in violence and destruction the age-old longing for the realization of ideals which live in the hearts of men everywhere.

British conservatism at home has already found counter reflexes abroad in the action of those of her colonies which have sought in state socialism a remedy for the social and industrial ills growing out of the restraints of the home country. The wage-earners of England, organized in a great political group, are violently assaulting the traditional barriers of national conservatism which have only *seemed* to hold them in measurable contentment in their various employments.

Education at home has been accompanied, as it inevitably must be, by clearer vision of and resentment at the conspicuous and extreme standards of living established under our own social and economic conditions.

The frontier has gone. The tide of humanity which flowed from the Atlantic to the Pacific encountered, occupied and developed unparalleled natural resources at every step of the way and no American, while the whole west lay out of doors beckoning to him, need to have felt himself a wage-earner except as an incident in his progress to independence on his own property. It is far from my thought that I should convey the impression that these resources have been exhausted but no one will arise to contend that the present remnant of the public domain offers today the opportunity to the individual which existed for him a few decades ago. Just what part the bounty of nature played in the development of our sturdy, balanced, individualistic national character, no one may say. That it was a great part no one will deny, so great perhaps as to prove a determining factor in the success of the world's first genuinely practical experiment in Democracy which was ours. It will not be gainsaid that we are approaching the end of the period in which opportunity for the man of average talent lay all about us.

There is no occasion to refer in a gathering of this character, except in passing, to the history of industrial relations in America. Capital long since combined to correct the

proven ills of unrestricted, cut-throat competition. When these combinations tended to be viciously monopolistic in character the pressure of public sentiment brought into play restrictive laws, many of them over-reaching in their effect, but all possessed of the saving grace of protection to the American ideal of individual incentive. With combinations in industry came combinations of wage-earners and the faulty vision of big business which invited rebuke in the form of restrictive legislation has been matched by the faulty vision of workingmen who, in the pioneer days of the labor movement, sought to obtain their ends by unjustifiable means; who followed false prophets, and who injected unsound principles into their negotiations, conducted only too often by tactless and sometimes venal leaders.

Today industry is organized in part. While it can hardly yet be fully absolved from the charge of improper interference here and there with orderly processes of government and trade, we must admit, and cheerfully so, that intelligence, which is another name for morality—has superseded the sandbag which, within the memory of living men, was used by "Business" so ruthlessly on the individual and the government alike. With this change in heart has come a relaxation of public pressure, and a consequent letting down in general public regulation.

Likewise, labor is organized in part. The American Federation of Labor, has, on the theory of the survival of the fittest, become the spokesman of intelligent organized labor in America, and has injected a sound philosophy in the principles of the trades crafts for which it speaks. The Railroad Brotherhoods, comprising the great majority of the train service operatives throughout the United States, have earned recognition by the public because of the intelligence of their direction. Combined in these groups are, perhaps, two and one-half million of the workers of America, all of whom are committed to a stable policy in contractual relations with employers. Conspicuously, partisan entanglements are avoided by these great organizations. They are attached to no party and inoculated with the virus of no false political creed. On the record, I make the assertion

that the American Federation of Labor has stood consistently as the most practical and powerful single influence in the western hemisphere tending to divert the vision of workingmen and women from the alluring prospects supplied in socialistic theory to the more practical aspect of social life to be found in our true national ideals.

Passing the question of nationalization of the agencies of control for the moment, I think that I am justified in saying that, in general, organization tendencies in all industrial groups were proceeding in the right direction in the period which preceded the war, in the sense that the elements of decency and regard for the rights of others were appearing in more pronounced degree both in capital and in labor combines. The war itself came, perhaps, nearer fusing discordant elements in our own society than has ever any other agency which exerted its force within our boundaries at any time. The purity of our purpose in the enterprise; its humanitarianism, per se; the democratization of recruiting methods through the selective service act; the uniting of a nation in a common cause and the universal assumption of burdens and sacrifices by rich and poor alike all tended to promote more wholesome relations, and I am not inclined to think that even the insidious propaganda of professional politicians who seek issues in the varying viewpoints of social groups as the basis of sharp internal political discussion and dispute, will ever succeed in making us as bad again as we were before the war began.

To a greater extent than ever before, employer and employee sat in council together and abandoned the old and brutal method of approach and settlement where differences arose. Better still, each element in the transaction came out of each conference with a viewpoint slightly altered as to relative equities, and permanent benefits will flow from this.

The legislation of the period indicated a search for the true boundaries which should be established in the prohibition of capital combinations. It strove likewise to express a higher sense of social justice in many of the measures affecting labor, so when hostilities ceased we were, perhaps, seeing industrial problems in better perspective than ever before.

But the war is won and we have to consider problems of readjustment. In the labor question there are many hopeful signs at home. The air abroad is laden with the germs of political, economic and social sophistries, and "the wind bloweth where it listeth." At home we recognize this as the age of combinations, controlled combinations, if you please; the age of control that still leaves us the individual incentive which, with other things, has made us a great people. If it is the age of capital combinations it is the age of wage combinations and no one will arise to successfully assert that mankind as represented in those who toil has not benefitted by the existence of organized labor in the past any more than he will assert that competition among laborers, unrestricted by organization, would have continued a policy proven to have reduced the standards of citizenship, public health, morality and intelligence.

But the cessation of hostilities has set up potential elements of disruption at home. Over night, following the signing of the armistice, the business of war,—the nation's one paramount industry for nearly two years, ceased as far as utility was concerned. At the moment munition workers and those who engaged in the winning of the raw materials sent in veritable floods to the factories for conversion into engines and instruments of war are already seeking or must seek a peace-time occupation. The change of condition ramifies into every section of the land—into the cotton fields of the south, 8 per cent of the production of which was taken by the government; into the farms which rose superbly to the task of feeding the warring nations; into the mines of coal and copper, lead, iron and the multifarious metals used in war or theretofore secured in import; to the mines of precious metals which aided in the protection of our money metal reserves and in the meeting of our oriental trade balances; into the forests which produced the lumber for ships, for aeroplanes, for vast cantonments, and for stupendous emergency construction at home and abroad. In short, into every section of the land which brought into play agencies to care for the exigencies of the world's greatest and most destructive enterprise.

Statisticians of the Department of Labor estimate that there may be as many as five million of these war workers released, and it is obvious that they will be released in the near future for no government would be supported in a policy which, even as an insurance against possible industrial disorder would entail the expenditure of billions for material and equipment that we fondly hope will never again find a useful place in the products of civilization. So the rate of demobilization of civilian war workers is to all intents and purposes, beyond governmental control.

In addition to naval forces, the demobilization of which does not appear imminent, there were at the time of the cessation of hostilities, one million six hundred thousand men in the military service in the United States and two million one hundred thousand abroad. I am advised that the policy of the Government will provide for the release of men in domestic camps at whatever rate they may be absorbed, perhaps no faster.

Many undetermined factors enter into the problem of demobilizing the overseas forces. The rate at which these men, released from military service, will flow back into normal industries and thereby affect the labor market, cannot be predicted. The men under arms abroad may be released at a rate that meets the requirements of military expediency, and in this enter the still undetermined factors of the conditions of peace and the requirements of the use of men for police purposes in Europe. The rate of transport from Europe to the United States depends upon the available shipping facilities, which, in turn, hinge upon many agreements and factors still undeterminable. Among these may be mentioned the allocation of ships between trade and transport; the transport of British Colonials and the transport of Americans; the part of indemnity to be paid by Germany which will be accepted in the form of ships; the gains, in effect, of shipping to be made through the reorganization of trade routes and the discontinuance of convoys; the conversion of cargo ships into transports, and the separation and direction of movements of supplies and men. In the same connection comes the question of the part we are to

play in the reconstruction of Europe, still undetermined pending international understandings with Belgium, France and perhaps Russia and the Balkan Allies.

The rate of the flow into the labor market of these millions of men should, if we are to avert the calamity of a period in which great numbers of workers are to be without employment, depend upon our capacity of absorption. There will be doubtless, some extension of essential industries, so-called; a considerable expansion of the industries curtailed because of War Emergency needs, and a considerable absorption by the industries which were entirely suspended over the period of the war. There will be old industries reconverted to peace uses, and new industries made to play a part in promoting the peaceful development of America and the nations of the world. New industries will doubtless grow likewise out of the worldwide problems or reorganization. The question of an immigration policy enters.

The availability of credits, public confidence in the future, and our domestic and foreign trade policy will have an influence on this rate of absorption. The rate of demobilization of the armed forces is within the control of the Government. So, with nearly nine million men and women to be thrown on a disorganized labor market within an undetermined period, and with that market subject to influences,—partly psychological, partly problematical because of undeterminable factors,—no men may today predict the exact nature and extent of the future labor problem in the United States. Certain it is that unemployment will spell discontent, the play of unfortunate influences which make for prejudice and class distinctions, and, perhaps, the importation and acceptance by idle and discouraged groups of existing European ideals quite out of tune with our own.

Among the great masses of the American people, the Utopian thought of Russia now struggling for practical expression there in a typical atmosphere of ignorant and brutal revolution, will find no welcome. Yet radical groups which have been troublesome in America are ready to seize upon anything to stimulate their activities among the discontented masses, and experience has proven that they

succeed measurably when conditions are such as those which we have at this time reasonable cause to fear.

The Spartacus group in Germany represents the Bolshevick element there. France has in her masses a powerful socialist group. The plausible and alluring arguments of this ultra-radical European political faction will touch only relatively few of our people—yet it cannot be gainsaid that this foreign political disease is contagious.

Coming nearer home, let us consider the attitude of the working masses of England. There, the British Labor Party,—representing a combination which might be likened to that of the American Federation of Labor and all other organized labor groups with the political socialists in our own country,—is conceded by students of the situation a representation in parliament of as many as one hundred seats in the total of six hundred seventy in the House of Commons. Its demands include a universal minimum wage; insurance against unemployment; Democratic control of industrial methods, through participation by the workers in such control “on the basis of common ownership and the means of production” and “equitable sharing of proceeds among all who participate in any capacity in productions;” state ownership of lands; the nationalization of railways, mines and electric power, canals, harbors, roads and telegraphs, and expropriation of industrial insurance companies; government control of all industries bearing directly on the cost of living; the practical exemption from taxation of small incomes, and for the taxation of large incomes on a plan which does not stop short of a capital levy to care for the war debts of the nation.

The program of American spokesmen of Labor appear very modest indeed when compared with these demands of our British brothers. The American Federation of Labor proposes now only the extension of the eight-hour day principle; the right of workers to bargain collectively; the intensive organization of the unskilled workers, and the fundamentally sound proposition that an extension of opportunity for intercourse and exchange of viewpoints between workers and managers be provided forthwith. The Depart-

ment of Labor emphasizes the importance and urgency of the last-mentioned proposal and does so, I think, with clear vision of industrial needs and with the constructive statesmanship which follows such vision.

In the confusion following the cessation of hostilities with its attendant uncertainties as to the immediate future came, in advance of any diagnosis, the usual avalanche of prescriptions of economic nostrums aimed to cure our potential industrial ills. It became apparent that emergency trade bolsters and restrictions favorably affecting the prices of American products and manufactures would have to be withdrawn. Seeing no immediate and practical plan to force down prices on commodities and manufactures other than those produced by themselves, employer groups throughout the country began a noisy clamor for the immediate reduction of wages as a precedent to the downward course of prices generally. It was alleged that the wage factor in American production constituted fully 70 per cent of the value represented in the salable product and the whole-structure of excessive prices was upheld by immoderate compensation exacted by workers over the war period. Mr. Gompers, President of the American Federation of Labor, joined by the Department of Labor and individual wage spokesmen, replied in no uncertain terms that labor would resist any attempt to interfere with wage scales and hours, and these declamations brought forth an eager and spontaneous condemnation from extremists on the other side of the question, together with an outspoken presentation of the theory that a "showdown with labor was imminent." In certain financial groups the argument was advanced shamelessly—by lesser lights in the world of business and industry it must be confessed—that deliberate and organized curtailment of production would effectively starve the insolence out of the new arrogant wage-earner. Happily, this inhuman, not to say insane, policy found no favor in the eyes of the real leaders in American industry. Particularly refreshing is the prophecy of Mr. Charles Schwab that labor is inevitably destined to share directly in the control of all industries; that of Judge Gary of the United States Steel Corpora-

tion that his company contemplates no reduction in wages, and the expressions of many others that the downward deformation of the wage curve must be preceded by readjustments in the other factors of production.

In this connection it is interesting to note just how labor (treated for the purpose of immediate argument as a commodity) did capitalize its opportunity during the war.

It may smack of the Academic at this time to attempt to analyze the causes underlying the upward trend of prices since the inception of hostilities in Europe. Prices are what they are, and it may appear that the obscure causes for existing conditions have no part in an address of this character. It is necessary, however, to say that the insatiable demand for material and men during the past two years does not account wholly for the prices in all commodities now prevailing. In the case of most materials the intervention of regulating machinery prevented the rise of prices to even higher levels than those actually attained. It is interesting to note that steel, coal, wheat, cotton and the bulk of the big raw product tonnage rose to figures averaging more than 120 per cent advance over pre-war prices. Elaborate data collected by the Bureau of the Census, by the Department of Labor and by private statistical bureaus proved that the cost of living, so-called,—reached an average over the whole country of more than 60 per cent increase over normal. These increases would have been greater in the absence of control agencies inaugurated by the Government. Nor was, perhaps, the law of supply and demand alone at work in this business. Two quote from an admirable paper presented by Mr. O. P. Austin, Statistician of the National City Bank and former Chief of the United States Bureau of Statistics, Department of Commerce, "In the matter of currency, 'money' so-called, the quantity available in every country at war will be very much greater than at the beginning, but its purchasing power will be reduced. The total quantity of 'money'—gold, silver, and paper—in the world has increased from thirteen and a half billion dollars at the beginning of the war to about thirty-two billion dollars at the present time, and most of this increase has occurred in

the belligerent countries. Nearly all of this increase, however, is in the form of paper—notes issued by the Governments or by the great banks which serve them—and the increase in this paper money has been far greater than that of the metallic reserve which normally forms its support. The world's 'uncovered paper,' which at the beginning of the war was slightly less than \$4,000,000,000, is now fully \$20,000,000,000, and this increase has occurred chiefly in the European countries participating in the war. That this great increase in paper currency is a species of inflation, and perhaps 'fiat money,' cannot be doubted. But it cannot be expected that the increase in quantity of manufactures will be at all proportionate to the increased currency available for the operation of the factories. Labor and raw material will be much higher in terms of the depreciated currency." So inflation,—the effects of which are not to be immediately remedied,—had its part in upward price tendencies, and will tend now to establish new normal levels higher than the old even on the restoration of the exact conditions in America which prevailed before the war.

Unquestionably the wage earner in 1918 found himself possessed of an unusual sense of security in his employment. From the pre-war conditions—when from one million five hundred thousand to two million workers were throughout every year unemployed, and when greater numbers suffered the effects of broken and casual employment because there were not jobs sufficient to employ all,—the country went to a condition in which men were everywhere in demand. No devices were installed to prevent the operation of the same processes of control on the labor element in production as were applied in other cases. The law of supply and demand might have had full swing had labor pressed to the full its new-found advantage.

As a device to enforce compliance with the terms of "hours of labor" agreements and laws, organized wage-earners have secured generally the adoption of the "time and a half for overtime and double time for Sunday work" principal in the larger industries. When shipbuilding began on a colossal scale together with the production of armaments and

munitions the Government found itself unable initially to enter into contracts with employers because of the uncertainty of the markets, on any basis other than the so-called "cost plus" plan. Great drafts were made on the labor market everywhere. Tremendous competition for labor sprung up between individual contractors. It was no concern to them under a "cost plus" contract what sums of money workmen were paid for their services, and recruiting by the agents of one contractor in the labor ranks of another became common, serving to bid up certain wage scales to inordinate figures. In part this was corrected by the activities of the War Labor Board, but conspicuous instances of exceptional pay secured by workmen under these conditions over the war-time period, are uppermost in the minds of the public and tend to blind us to the true facts in the case. Statistics carefully compiled by governmental agencies throw new light on the situation. In the thirteen principal cities in the country, union wage scales since 1907 have increased from a low instance of 9 per cent in New Orleans to 38 per cent as a high instance in the Pittsburg district. These figures are based on the contracted hourly or weekly wage on the contracted scale of hours. They do not take into account, as I interpret them, extra pay derived from overtime work. Most illuminating of all of the data is that which compares the present purchasing power of the union wage throughout the United States as measured in food at the present price of that element in the cost of living with the same conditions in 1907. This data proves conclusively that the advance in the price of commodities which men must buy to live increased in much greater proportion than did the compensation of the same men. Rates of wages per hour advanced from a relative of ninety in 1907 to one hundred fourteen in 1917, an increase of 27 per cent. Retail prices of necessary commodities advanced from a relative of eighty-two in 1907 to one hundred forty-six in 1917, an advance of 78 per cent. It is obvious from government statistics that the wage and hourly scale referred to by the Department of Labor and by Mr. Gompers, in the statements attributed to them in this address, constitute in pur-

chasing power today only 70 per cent of the earning capacity of the workman in the same craft ten years ago. From this it will be deduced that the wage scale still lags far behind the scale of prices reached by the commodities which determine standards of living for the worker. To go further with statistical matters of interest in the study of this subject, approximately three billions of dollars were collected from industries during the year period ending June 30, 1918, as a proportion of profits from industries in excess of normal pre-war earnings. That proportion of the total excess profits of the country is represented by these figures, I have no means of determining with precision. A certain familiarity with the law, its extension and its operations justify the assumption that not more than 40 per cent of the actual excess profits were absorbed in taxes over the period named. On this assumption, not less than seven and a half billion dollars was earned by industry of the United States in excess of normal earnings affecting thereby the distribution of the burden of the cost of conducting war upon the whole mass of the people. The laborer paid his fair part in this by virtue of the differential between his wage increase and the increase in the cost of living. Likewise in this connection the Bureau of Census and personal investigation reveals the fact that the ratio of wages to the total aggregate cost of production, distribution and sale is on the average more nearly forty in each one hundred parts than the seventy so frequently referred to by the advocates of immediate wage reductions. I regret that I cannot here supply you with specific information relative to the actual percentage of each of the elements generally conceded by economists as entering legitimately into the operation of production. These are, *First*, rents, royalties, or the value in place of raw materials, as one chooses to define it; *Second*, capital; and *Third*, labor. Figures should be available to indicate the extreme wage burden that American industry could stand after practical economies had been effected in the other factors referred to. Unquestionably a limit would be reached before the ideals of many social dreamers were realized, and the problem would then evolve itself into one of equitable distribution.

It is not going too far, however, to say that quite apparently industrial economy can be effected immediately in the interest factor which is apparently overloaded, at least to the extent of excess profits referred to in these remarks. Again labor must assume some of the initial risks of enterprise, and managers of industry must in turn recognize that the cost of mismanagement should not be wholly assessed against the wage groups.

If a solution of the problem is to come at all, it must come by cooperative consideration of the problem. I may pause to refer to the obstacle standing in the way of such a reform. The mutual suspicions of the employer and employee will relate back to days when the employer viewed organized labor as an insolent interloper in the field of commerce, and when occasional labor leaders carried their following into disrepute by unethical, not to say lawless, counsel. Just as there exist today capital groups capable of indecent business methods, so do there still exist labor groups standing for policies which are abhorrent to every principle to which the American people is committed.

In the western country many managers, constitutionally inclined to be fair and even generous in their treatment of men, have been diverted from clear-eyed progressive consideration of the labor problem by recollection of bitter experiences with misguided men, who delegated the formulation of their policies and the leadership of their cause in individuals who would be suffering only moderate penalties were they adjudged criminally insane by an outraged public opinion.

I. W. W.-ism, with all of its false philosophy, and brutal and inhuman plans for the correction of industrial and social ills, still lives in organized form. The specious arguments of those who control it still call to its membership honest men who see at hand no other organized agency to secure relief for them from actual exploitation. Confidence is lacking in the integrity of purpose of many existing organizations, both in the minds of workingmen and employers. Such men crave affiliation with a properly organized trade union, and

are merely awaiting the appearance of a Moses "to lead them out of the wilderness."

The State Government is peculiarly equipped to bring the human elements in industry to better understanding of one another.

Governors have complained of the gradual usurpation of the State power by the Federal Government.

The Department of Labor is today undertaking the great program of education which must precede all genuine social and economic reforms. It is perhaps proper that the labor problem which must be viewed in wide survey should be settled by agencies not too much decentralized—but the States can cooperate usefully.

I may be pardoned if I suggest, however, that the cause for the declining function of the State in the affairs of the Government may be traced in some measure to the instability of state policies, and to the sometimes limited vision of those of us who are charged with executive responsibilities. Here appears an opportunity for constructive service.

Upon the State, wherever the power of direction may be vested, will fall the problem of policing the territory affected by social disorder.

It will be the State that will suffer the most acutely from every dispute.

Public opinion no longer approves the brutal methods of the past employed in the settlement of controversies of this character. The labor problem of today is "the problem of problems" confronting every government. It is a problem with which is inevitably linked the whole question of human advancement. It is no longer a matter to be left, within the States, to the casual and mediocre appointee. It deserves personal consideration along practical, constructive lines at the hands of every chief executive. It offers opportunity for service which carries with it unparalleled possibilities of reward in the form of rapid approach to what should be the ideal of every Government—a happy, harmonious, and prosperous people.

THE CHAIRMAN —Gentlemen, the very able and illuminating paper which the Governor has just read perhaps opens

up the question that is of more interest to the Governors present than any other question that has come or will come before you. Personally, I would like to hear a discussion of that question now, but I see that on tomorrow reconstruction policies will be discussed generally, and inasmuch as the afternoon session will be short today and as there are several other persons on the program, I take it you will want to go on with the program now and not stop to discuss the question which is raised.

I take pleasure in calling upon Governor Albert E. Sleeper of Michigan, who will speak to us on "State Labor Policy."

State Labor Policy

GOVERNOR ALBERT E. SLEEPER OF MICHIGAN

Gentlemen: I represent a State which we who live in Michigan like to regard as one of the great states of the Union. Our area is not so large as that of some of the states represented here, but we have a state of considerable size at that. I am reminded of an incident that occurred a year ago last summer. An agent from Pennsylvania came to the Executive Office in Lansing with a requisition from Governor Brumbaugh asking for the rendition of a fugitive who was said to be in Marquette, Michigan. The requisition was honored and the warrant issued. The agent said to my secretary, "How do I get to Marquette?" "Well," said my secretary, "there are two ways to go, one by way of the Straits and the other by way of Chicago." "Chicago? Why how far is it to Marquette?" "It's a little over two hundred miles to Chicago and Marquette is about four hundred miles beyond that." "Great Scott! I've come three hundred miles already and I expected to go but a little way from Lansing for my man, not halfway across the continent."

We have a population of from three and a half to four million people representing in its constituent elements many different races, but the bulk of our population is of native American stock with a generous sprinkling of those who have come across the Canadian border, and these latter comprise a part of our most stable citizenship.

We are of course proud of our State, as you are all proud of your States. We are proud of our splendid natural resources, our rich mines of copper and iron, our Great Lakes and water courses, our fisheries and our timber. We are proud of our wonderful manufactures, our automobiles and our trucks, our stoves and our furniture, our salt and our sugar. I may say in passing that this year, 1918, has seen probably the greatest harvest of sugar beets the state has ever known. We are proud too of our wealth of agriculture; proud as we are of these material things we are prouder still of our schools and colleges and of the men and the women we raise in Michigan.

You have asked me to discuss somewhat a state labor policy. I can best do that in relation to some of the things we have done in Michigan. We were one of the pioneer states in the enactment of labor legislation. For example, we absolutely prohibited the employment of children under fourteen years of age in any kind of labor. Children from fourteen to sixteen may be employed during vacation periods, on non-school days and after hours on school days, on certain conditions. Permits for such employment may be issued by county commissioners of schools or superintendents of schools. These permits are dependent on the sworn statements of parents or guardians, and employers must keep the permits on file subject to the investigation of factory inspectors. Children from sixteen to eighteen may be employed anywhere except at hazardous labor, and the Labor Department determines what is hazardous labor. No female under twenty-one and no male under eighteen may be permitted to clean machinery while it is running. No male under eighteen and no female of any age shall work more than nine hours a day or more than fifty-four hours a week. I am informed by the Commissioner of Labor that elevator girls, chambermaids, women street car conductors, and taxi drivers do not come under the operation of the law. There is no reason why this should be so, and our law is to this extent defective. The defect will, I hope, be remedied by the next Legislature. Employers are required to provide seats for female employees and they must not make arbi-

trary rules forbidding the use of these seats when employees are not engaged in actual labor or service. All machinery is subject to inspection by the Labor Department, and the Department may order it safeguarded for the protection of operators.

I have the statement of our Labor Commissioner, an able and progressive man, to the effect that he does not believe the labor laws of the State, subject to the exception I have just noted, can be greatly improved upon.

We have in operation, under the direction of the Labor Department, ten free employment bureaus, located in the larger cities. In the year 1917 these bureaus placed 108,463 workers, and, in spite of the fact that the Federal authorities have come into the State and opened employment agencies of their own, our bureaus in 1918 have placed substantially the same number of workers as in 1917. There are six Federal agencies with an operating force of thirty-four. Our ten bureaus have a staff of thirteen operators. The volume of business done by the state bureaus is more than three times that of the Federal agencies. During the last two years our bureaus put in the neighborhood of fifteen thousand laborers on our farms, thus helping materially to take care of the farm labor situation; but we have found, so far as the Michigan farmer is concerned, that if you give him seed and a good planting season and good harvest weather he will pretty well see to it that the crop is cared for. I don't mean you to infer that the abnormal conditions of the past eighteen months have not made trouble for our farmers. They have; but, considering all the circumstances, the farmer has achieved a notable success in meeting the emergency.

We have also private employment agencies, of which there are fifty-four in the state. thirty-four of these being in Detroit. A personal bond of a thousand dollars is required from the employment agent and he must pay a license fee of a hundred dollars in Detroit and twenty-five dollars out in the state. The law regulates the fees charged by the agents providing for a registration fee of one dollar and permitting 10 per cent of the first month's pay to be

collected as an additional fee. If the laborer does not keep his place a month he is liable for nothing more than the registration fee.

I suppose workmen's compensation laws come within the scope of this sketch. Our Michigan law has been in operation about seven years and has proved an undoubted boon to the worker, while entailing no great hardship on the employer. The number of cases of all classes dealt with under the law in 1917 was 17,656 and the amount of compensation paid was \$2,048,479. The number of employers concerned was 24,000. There is room for improvement in our law and with this object in view the Legislature of 1917 empowered me as Governor to appoint a commission to investigate the whole matter and report back to me. This report is in process of preparation and will probably recommend changes in the direction of greater liberality toward the workmen. Perhaps the great weakness of our compensation law lies in the fact that it is voluntary, except in the case of the state and the municipality. I believe it should be made compulsory.

No consideration of the labor situation would be, I will not say complete, for I am merely sketching, but no consideration of this matter would be relevant without a reference to the question of wages. War conditions and other things have combined to raise wages to the highest notch. The Judge Advocate of Michigan happens to be one of the attorneys for the great Calumet and Hecla Copper Company. He told me that on a recent visit to his home in Calumet he went into one of the banks and saw standing in front of the paying teller's window a mine worker whom he knew, an Italian. The teller showed him a check for \$178 payable to the laborer. The teller said, "John, pretty big pay for a month's tramming." A tammer shovels rock in the mine. Tramming is just common labor. This was the answer the teller got. "Month, hell, two weeks." One hundred and seventy-eight dollars for two weeks' work shoveling rock. A few years ago that Copper Country was tied up in a nine months' strike for a flat wage of \$3.50 a day for all the workers in the mines without regard to the class of work they did. What is to be done with the wages

problem? I am free to admit I do not know, but so long as living conditions remain as they are, so long as the price of food and other necessities maintains its present altitude, how are you going to *reduce* wages? I am confident that in Michigan our great manufacturing plants which have been working at high pressure on munition contracts will soon be able to readjust themselves to the changed conditions peace has brought, and with a minimum of disturbance to the labor market. In the city of Flint, one of our leading manufacturing centers, the president of the Buick Motor Company, which employs thousands of men, recently announced that while there would be some financial advantage to them in laying off a thousand or so of their hands they would not do so, and would continue to pay the same wages they had been paying. Thereupon the Chamber of Commerce called the merchants together and they agreed to forego their profits for three or four months and give the people the benefit of reduced prices for commodities. Practically all the merchants of the city fell in with the project. The landlords too agreed to a 15 per cent reduction in rents. In fact everyone seemed willing to cooperate in the plan to keep the workers busy and at the same time reduce the cost of living.

We are all interested, whether wage-workers or not in seeing that wages are kept at the highest point consistent with industrial stability; for in this great republic of ours great in the achievements of the past, great in the possibilities of the present, greater still in the hopes and prospects of the future, we are all bound together in a great industrial and commercial relationship. We talk about independence. There is no such thing as independence, at least in the civilized state. Independence is the condition of the savage state. The condition of the civilized state is interdependence, and as civilization goes on and life becomes larger and richer we are more and more bound together. So there grows up the great industrial and commercial organization. One man goes out in the spring and drops the seed into the furrough. Then when the soil and the sun and the rain have done their appointed work he goes forth in harvest time and reaps the ripened grain. Another man grinds it

into flour. Another man carries it across the continent or down our great water ways. Another man sells it on the market. Another man bakes it into bread; and still another man furnishes the currency by which this intricate and complicated transaction is carried on. Now I do not deny that there is some barbarism yet left in our commercial system but I do deny that barbarism is the true commercial spirit. It is not. It is the uncommercial spirit. It is the spirit of savagery. It is the spirit of Germany and not the spirit of free America. The true function of trade and commerce, the true function of the farmer and the miller, of the railroad man and the steamboat man, of the broker and the baker and the banker, the true function of all these various men linked together in this intricate system, is by combination and cooperation to help one another and not to cut one another's throats.

Some one said to me the other day, "The war is over and won, but what of the future? There are great problems pressing upon us for solution, industrial problems, economic problems, social problems and political problems. The world has been made safe for democracy, but how about making democracy safe for the world? What of the future?" Again I say I do not know, but sufficient unto the day is the joy thereof. This is our day of gladness and rejoicing. God be thanked for the past. God be thanked for the present. God be thanked for the future. It is full of hope and promise. A new day is coming. It has already dawned. Then let its sun arise in splendor and go marching up the sky. New problems? Yes. New dangers? Yes. Sacrifice and devotion? Yes. But confidently, proudly, not boastfully, I hope, let us go on into the new time with its new conditions. We shall meet the new dangers as they arise and overcome them. We shall face the new problems as they come and solve them. We shall be ready with our sacrifice and devotion when they are needed, as we have been in the past.

THE CHAIRMAN—The next subject is a discussion of "State Land Policy" by Governor Lister.

GOVERNOR LISTER—Mr. Chairman: The hour is becoming somewhat late and I am sure we are all desirous of seeing the review at the Academy, and I assure you I will take but little of your time. To discuss State land policy is to discuss a line of action that differs with the different states. There are no two states in the Union that would have or could have exactly the same type of policy. Take in our southern states the matter of drainage and reclamation of the lowlands is one of vital importance. In the northwest, the extreme northwest, and along the Pacific Coast, the matter of irrigation of arid lands is the line necessary to be followed if we are to bring more of our lands under cultivation. In the northwest any policy adding acres of land available for cultivation will mean the extension of the irrigation project plan, the clearing of our cut over lands and the drainage and diking of our tide lands. It has been thought that with the close of the war it would be possible to induce all of the soldiers returning who did not have any fixed line of activity to settle on the farms. I was much impressed by the statement of the Secretary of Agriculture, Mr. Houston, yesterday when, in discussion of the matter with a prominent official of the Canadian Government, that official informed him that there was less than 10 per cent of their returning soldiers who were willing to be told that they should move to the lands. Therefore, it seems to me, it is necessary for every state in the Union to as nearly as possible, bring about a condition under which there will be places offered to every returning soldier. It is going to be absolutely impossible, however, for any State to tell any of our returning soldiers that they shall settle on lands or that they shall take up some particular line of activity. Individualism will not be entirely dead with the return of the army and I believe eventually that will give the very best results in the placing of our men in active line of employment.

As I view the situation existing, our most important problem is that of having places to offer to our soldiers upon their return to their respective communities. Every soldier is going to be desirous of spending a few days or a few weeks in visiting his friends and relatives after his return. When

that time has gone by he will feel that he should again take on employment. If there be no employment for him and that condition should continue for a period of months it is possible that in many cases many of these men will have gotten out of the idea that they desire employment very badly. So, therefore, we must assume our responsibility quickly and be ready to offer employment to the men upon their return. In our State, by the reclamation of additional lands, by irrigation, it would be possible in the building of those projects to furnish much by the way of employment to the returning soldiers who are willing to accept that kind. The matter of irrigation projects is one which in my opinion is entirely too large for handling by private capital. There have been many failures in irrigation projects and when figured out it has been found that the difficulty has been in the length of time necessary in the construction of the project, and the time elapsing before returns come from the land placed under irrigation. Therefore, the issuance of bonds to the extent of five, ten or fifteen millions of dollars used in the construction of a five-, ten- or fifteen-million dollar project would leave the owners of the bonds without any source from which interest upon those bonds could be made during the period of the construction of the project and the period elapsing from the time of its completion until the crops would be produced on the land. Therefore, the irrigation of our arid lands is primarily, as I view it, a governmental proposition, and in the northwest where our Federal Government has undertaken those propositions we have seen their successful completion. We have seen the time quickly come when the owners, those who have produced lands under the projects could pay their rental charges for water and gradually pay off their indebtedness and eventually the money invested by the Government is returned to the Government by those who have settled upon the lands.

Speaking of the value of irrigation in the northwest, may I be permitted to speak of just one county in the State of Washington in which there is no crop produced on any other than irrigated lands, and last year the crops produced in

that one county amounted in value to something over thirty millions of dollars. The Sunshine project, a Government project, according to a Government report two years ago, produced an average crop value of over \$120 per acre for one year. The value of irrigated lands after they are in service is, I think, indicated clearly by the value of the crops produced thereon. There is another point of much importance in connection with the crops raised upon irrigated lands and that is the insurance we have on the crops that are produced. There is no line of agriculture in which we have greater assurance of having crops produced than upon irrigated land. The dry season does not enter into the problems of those who are raising their crops upon irrigated lands. So, our problem, therefore, in the northwest is one that must be, if properly handled as I view the matter, a combination of the State and Federal Government in the undertaking of the development of some of the large areas of arid land that are susceptible to cultivation by the placing of water thereon. We have much land of that character in the State of Washington. I am thinking now particularly of one section containing two and a half million acres, every acre of which can be irrigated from one river. We have others, one running some 70,000 acres and another running approximately 200,000 acres, which will, without doubt be undertaken by the Federal Government in due course of time. If we could, therefore, work with the Federal Government in connection with the development of some of our irrigation projects possibly the Federal Government paying for the construction of the project, the State purchasing all of the land under it, and in that way eliminating entirely speculative value upon the land, so that the purchaser would pay only the actual cost of the land and the development of it, and the prices could be fixed and paid upon the amortization plan, I believe that we could get better results than by any other method.

The State of Washington will be glad indeed to join with the Federal Government along this or any other line which seems to be feasible in bringing about greater agricultural development. We are fortunate out there in having the

credit of the State unimpaired in having no bond issue against our State, so that we approach this new period, not a reconstruction period. for we have not felt the effect of war in the United States, but rather a rebeginning of the development period in the United States, with a clear financial slate so that whatever funds may be necessary can be and will be produced by the credit of the State of Washington.

If I may be allowed to divert just a little I would like to say that I have been intensely interested in the labor papers we have heard today. This is one of the most important problems we have in the United States. We have heard of the I. W. W.-ism spoken of as being a condition existing in the West very largely. So that you may not have a false impression of the West or of the effect of I. W. W.-ism upon the work done by the West in connection with war activities, it will not be amiss at present to say that the Pacific Coast states, consisting of California, Oregon and Washington produced more tonnage in ships for the Federal Government during the period of the war than was produced by all of the Atlantic states. We produced in the woods of the Northwest the airplane lumber necessary by the millions of feet and in the month immediately preceding the end of the war there was produced over twenty-two million feet of airplane spruce in the Northwest. There has been so much of the lumber produced that I almost failed to see where it could have been possibly used, but had it been necessary, the increase was being so rapidly pushed, that within a very few weeks we would have been able to produce not less than 50,000,000 feet. All of these conditions came about even with the labor unrest. We were fortunate, however, during that period, when it seemed that everything might be going to ruin, of not having any rioting or disorder in the Northwest from the beginning to the end of the war. There was not a single death as the result of rioting and disorder coming from labor troubles in the State of Washington. I have a feeling that in the handling of this problem it can not, nor will it be, handled alone by trying to brush aside the I. W. W. It is with us in that or some other name East and West. We

must find out the cause of it and endeavor to bring about a condition here that can justify no one in taking such a position. I am going to say that I think one little thing might be done at this time that would cause an elimination of some of that I. W. W. feeling in the United States.

As Governors of your respective states you have had charge of the draft work. There is not a state in the Union in which you have not had the experience of having some unnaturalized citizen renounce his citizenship for the reason that he did not desire to fight in the army of his adopted country. The war is ended and the tendency and disposition of our people is to say, forget what has gone by in the past, and I can not feel that this war will have been properly concluded unless and until every single individual who renounced his citizenship to the United States shall have returned to his native land. If we would follow that course in connection with the men who have no loyalty to the land of their adoption we would assist materially in eliminating this I. W. W. feeling that does exist. I am perfectly frank to say that I do not desire to live on the same street with any man in my community who was so disloyal to his nation that he would not fight for it in its hour of need. I think every other good American citizen has exactly the same feeling and it is our duty to see that there is a clearing up of these conditions brought about as the result of the war, and in the doing of that we will assist materially in clearing up the labor situation.

Our great problem in the handling of the labor situation is in the having of employment for every man willing to work, no man unwilling to work has a right to live in any community in the United States. We have not reached the point where any man has the right to say that this country owes him a living. Every man ought to be an asset and not a liability to the community in which he lives. If we can have conditions in the different communities whereby not only public work, but also private work, offers an opportunity for every man willing to obtain work to secure employment, even though that may not be in the particular line he would desire it, I am sure we would do much in bringing about a

more stable labor condition and in helping in the future development of this great nation. We have a nation of such tremendous size and so much to be developed that we ought never to think of our job as having been finished. We can keep at it for the next twenty years, yes, the next fifty years, and develop it to a point where instead of caring for one hundred or one hundred and ten millions of people, it will be possible to care for one hundred and fifty or two hundred millions of people.

Therefore let us approach the path before us doing the best we can, and I am sure that with each passing year we will find that the task is being accomplished, that we are creating better conditions here, that we are developing our resources and with that also developing the citizenship, which, after all, is the true foundation for all development.

GOVERNOR GARDNER—Before we adjourn I should like to have the permission of the Conference to ask the Secretary to transmit the following:

“The Conference of Governors in Session at Annapolis respectfully request the Secretary of War to present the States of the Union a number of German cannons to be placed upon the grounds of the respective State capitals.”

THE CHAIRMAN—I am not very familiar with the constitution and by-laws that govern this body, but may I inquire whether that would be in contradiction of them?

GOVERNOR BRUMBAUGH—I hardly think that is in violation of the by-laws and I think it simply comes not as a statement of a policy or adoption of a resolution, but simply as a request to the Secretary of War and I believe it would be in order.

The motion was duly seconded and unanimously carried.

THE CHAIRMAN—There are a number of other papers and speakers on the program for this evening, but the hour has arrived when the Governors are expected to march down in a body to the entrance of the Naval Academy Grounds where you will review the drill of the cadets.

GOVERNOR PHILIPP—I would like very much to have the Conference give sufficient time to the discussion of the very

important subjects that we are called upon to consider, and which we will be called upon to deal with during the coming sessions of the legislature. I would like very much to have the Conference give some time to the discussion of our educational problems. It seems to me that we must adopt some new policies and it would be well if we could reach an understanding so that they might be as uniform as possible. Then, we have the so-called reconstruction policies to discuss, also the settlement of soldiers upon the lands of the States, and I would not like to leave here without hearing a full discussion of those problems.

And there is another problem which has not been mentioned at all since I have been here, and that is the military problem of the country. Are we going to be put on a basis of military training? How are we going to proceed with it? That brings up the question of what is going to become of our national guard. I see there is a tendency on the part of the National Government, or at least the general staff of the army to abolish the national guard. That is what it amounts to and it is a question of whether the States should concur in this. There are other things to be considered and I would like very much to have the Conference set aside a time for the discussion of these important problems.

THE CHAIRMAN—Personally I had hoped that the National guard question would come up and be discussed because the legislature convenes in my State on the 8th of January. We have a temporary act that becomes inoperative when the treaty of peace is signed, which will leave us without any military force.

(At four o'clock P. M., the Conference was declared adjourned until Tuesday morning at nine o'clock A. M.)

Tuesday, December 18, 1918

The Conference was called to order by the Chairman, Governor John G. Townsend, Jr., of Delaware, at 9:50 A. M.

CHAIRMAN TOWNSEND—Gentlemen, the Conference will please come to order. The Reverend Doctor White will open the session with prayer.

Invocation by Reverend Doctor White.

CHAIRMAN TOWNSEND—Gentlemen: Governor Harding not being present this morning, I now have the pleasure of presenting to you Governor Ruffin G. Pleasant, of Louisiana, who will address us.

GOVERNOR PLEASANT—Mr. Chairman, your Excellencies, Ladies and Gentlemen: When I received a letter from the Secretary of this Conference to the effect that I had been placed upon the program to speak upon State agricultural policies, I interpreted his letter to mean that I should speak upon the agricultural policies and possibilities simply of the State of Louisiana. Indeed, I feel that I am not capable of speaking upon a general agricultural policy as affecting all of the States of the Union on account of their many and varied interests and problems that they have to solve. In speaking of my own State this morning in rather a favorable way, I trust that you will consider that I have not departed too much from the realm of modesty.

Louisiana's Agricultural Capabilities and Policies

GOVERNOR RUFFIN G. PLEASANT, of Louisiana

Uncle Tom's Cabin, yellow fever, and malaria have been the great drawbacks to Louisiana. But they should no longer be considered, as the first two are things of the past, and the latter has ceased to be a menace.

Mrs. Stowe's wonderful book was read by millions upon millions of people, and in more than twenty different languages, and it left in the minds of its readers a bad impression of Louisiana. This was transmitted to their sons and

daughters, and it, therefore, unconsciously exists today as part of an inherited historical and geographical education. But the fact is that the unfavorable references in the book applied to only a very small percentage of the people of Louisiana in the day in which it was written, and now they apply to none at all.

Yellow fever epidemics are gone never more to return. Modern medical science has made the disease comparatively harmless, and we never hear of it, and never fear it, any more in Louisiana.

Malarial fever at present is only an ordinary disease in the State. Our percentage of losses is below that of the average American commonwealth, and is growing less and less every day, as our people become more and more observant of sanitary regulations and precautions. Our health conditions and the intelligent activities of our health authorities are reflected in the fact that we are the only Southwestern State, and one of only five Southern States, that have been admitted into the Registration Area by the United States Government.

The three above mentioned drawbacks prevented the proper flow of immigration into Louisiana, and consequently prevented her proper development agriculturally. Of the State's twenty-nine million acres only five million are being cultivated. The chief crops are cotton, corn, sugarcane and rice. We lead all the other states in the production of the last two commodities. The soil will produce practically any variety of plants grown between Chicago and Buenos Ayres.

Thirteen million of Louisiana's acres are covered with the finest alluvial deposits in the world. The rest of the State, principally Northern and Western Louisiana, is upland, and most of it is equal to the very best lands of that character to be found anywhere in the United States. The soil of these latter lands, upon which cotton, corn, fruits and vegetables are grown principally, can be highly and economically developed.

The alluvial portion of Louisiana is the wonder of all men who have seen and studied it.

The best experts declare that there is no piece of territory of similar or larger size anywhere on earth that can equal it.

Elbert Hubbard went over the soil, particularly during his last visit to the State, and said: "Alluvial deposits have been gravitating here from the North for a hundred thousand years. Then came ten thousand years of vegetation, with consequent humus. The result is a soil from one hundred to nine hundred feet deep—rich beyond the power of pen to compute."

An Eastern chemist, after analyzing this alluvial soil, said that it would be worth five dollars a ton as fertilizer on the hills of New England.

Professor S. A. Knapp, of the United States Department of Agriculture, stated that:

"It would be necessary to take the prairies of Iowa, the rugged timber lands of Maine, and the entire delta of the Nile, twist them together and thrust through them the Amazon, to produce another Louisiana."

It is also the best watered State in the Union, having nearly five thousand miles of waterways capable of navigation, in addition to the innumerable bayous, rivulets and creeks that run everywhere.

The rainfall, which is well distributed both as to time and to places, averages sixty inches per annum; and the mean temperature is sixty-eight degrees. This is a combination that cannot be excelled.

Great levee systems have been established in all of the alluvial sections of the State in order that agriculture and its kindred industries may be properly encouraged, developed and safeguarded. These levees have been brought to a high standard of excellence. Not a single crevasse has occurred for many years, but we are still building the levees higher, broader and stronger in order that they may be doubly secure.

Great drainage projects are found throughout the alluvial sections, carrying off the surplus rain water, which would otherwise run off too slowly on account of the level character of the land.

The leading agricultural policy of the State is to induce as many good immigrants as possible to come into Louisiana, settle upon the millions of acres of unused rich land which we possess, and help us to build up the most wonderful piece of agricultural territory on the globe.

Crops of some kind, particularly in Southern Louisiana, can be grown all the year round.

Professor Willis L. Moore, Chief of the United States Weather Bureau, said:

"Probably the most important feature of climate, as affecting both animal and vegetable life, is the temperature. The average crop season in the North is limited to a period of little more than one hundred days. On the other hand, the State of Louisiana has a long period of crop growth—more than three hundred days in the Southern portion.

"This long period of crop growth permits the cultivation of nearly every variety of agricultural products; and not only one but also frequently two or three different crops may be secured from the same soil in a single year."

These facts, together with her rich soil, not only place the State to the forefront in the production of cotton, sugarcane and rice, but also makes her an ideal section for the live stock industry.

Corn grows luxuriantly here; and, when velvet beans are planted with it, the yield of both together cannot be surpassed, perhaps not equalled, anywhere else in the world. Seventy-five to one hundred and fifty bushels of corn per acre, exclusive of a prolific velvet bean yield, is easily raised. I am speaking of the alluvial sections. Tremendous crops may also be raised in many of the hill districts with the proper use of fertilizer.

A test between Louisiana and Illinois corn was made by the Bureau of Plant Industry in 1915 and it was shown that the Illinois corn contained 19.1 per cent of moisture against only 13.4 per cent for the Louisiana corn, thus according to the Louisiana product a higher rank than that of the famous corn belt.

Besides corn and velvet beans, we produce in great quantities oats, lespedeza, Bermuda grass, rye, red clover,

white clover, crimson clover, alfalfa, soy beans, sorghum, alsike, peanuts, potatoes and many other feed crops with which to raise live stock.

In 1914 a party of editors of Northern live stock and farm journals visited Louisiana and made a careful inspection of her soil and crops. I shall quote a few of the unanimously favorable expressions that were made by them:

J. W. Jarnigan, of the "Iowa Farmer," Des Moines, said: "You can raise corn even better than we do in the world-famous corn belt. Corn is a wonderfully profitable crop when marketed in the form of beef and pork. There is a world shortage in meat. There is a great future for the cattle industry, and you people can produce beef cattle at about one-fourth of the expense that we people of the North can, so it is plain that there is a wonderful opportunity in Louisiana for the stock raiser."

Fred Ranney of the "Missouri and Kansas Farmer", of Kansas City, Missouri, said:

"There is no place in the United States where the climate is more pleasant. There is one advantage that Louisiana has over every other state in the Union, and that advantage is contained in the richness of her soil. Louisiana also comprises a field for the live stock industry that is positively unsurpassed anywhere in the country. Here, both cattle and hogs may forage all the year, because the grass is always green and new crops are ever growing. Pork and beef can be produced at a minimum cost under these circumstances."

H. S. Groves, of the "Ranch and Range," of Denver, said: "I was shown that these lands grow three or more crops in one year. I thought I had seen some corn-growing in such states as Missouri, Iowa and Illinois; but what I saw growing there were mere dwarfed plants compared with the kind you grow on your soils, which produce seventy-five to one hundred and fifty bushels per acre. Then to, the great variety of crops you can grow is astonishing to one from the North. I was on one place where forty-three different varieties of crops were being grown."

A plenty of corn and grass is the secret of raising live stock. We are not only blessed with these feeds in abundance, but

the grasses and many other feed crops grow the whole year round. As the winters are mild, the animals may graze to their hearts' content at all times. It is not necessary to house them half the year as is done in the North and West, and feed them the summer's ensilage. Only a shed, opening toward the South, is required to keep them comfortable during the few cold winter hours that may visit them.

The distinguished Iowan, Hon. James Wilson, U. S. Secretary of Agriculture under three Presidents, while on a visit to the State a few years ago, said:

"In my opinion, within twenty-five years the Gulf Coast States will be the beef market of the United States, as every essential to cattle production abounds in this territory."

While visiting the National Live Stock Show in New Orleans in 1916, he also said:

"You have as fine domestic animals in the State of Louisiana today as you will find anywhere; the finest breeds of cattle—Holstein and others, as well as American breeds of Herefords, which are an improvement over the English Hereford." Further, he said:

"You can grow as good hogs here as in Iowa, every bit, and I am a good authority on hog-raising and what you can grow in Iowa."

Hogs can be raised in Louisiana much more cheaply than in the North and West, because in the latter sections they are taken from the grazing fields and housed in October, and are not turned loose to root and graze again until May. During all of this time they must be fed on corn and other feed stuffs from the silos and cribs. This is not true in the Gulf districts where, as I have remarked before, hogs and cattle can graze practically all of the year. Besides in the colder sections of the country a much larger percentage of the feed consumed is employed in the maintenance of the animal heat than in the warmer sections of the South.

Breaking down prejudices against Louisiana, acquainting the rest of the world with her wonderful agricultural possibilities, and inviting immigration to the State, are the great policies which we are pushing today. It is difficult to get the Northern and Western farmer, or prospective farmer, to

move down our way. Thousands of people have rushed into the State to embark into the great oil, gas and timber industries there; but the immigrant farmer seems to want to move further west, or out of the country into the freezing climes of Canada, where he can't raise as much in a whole year as we can in four months.

We are trying to get large colonies to move into the State, and have each colony settle on a large tract of fifty thousand or a hundred thousand or more acres of land and develop it as one gigantic enterprise. I mean that each settler should own his individual farm, but that the whole area should be drained, roads built, and school buildings erected in accordance with a comprehensive agreed on plan. Committees like this would be ideal; and vigorous effort would make the residents independent in a short while.

If, for instance, we could wave a magic wand and transfer the splendid farmers of Iowa, Indiana and Illinois into Louisiana at once, I firmly believe that the agricultural interests of our State would be far richer in a few years' time than are the combined agricultural values of all the great states to which I have referred.

I do not mean by this to make the impression that our own farmers are not wide awake and progressive. Thousands of them are at the very top of their industry, and thousands more struggling heroically and intelligently to come into the full light of scientific agriculture.

But they are hereditarily tied, principally, to cotton, sugarcane and rice, the latter two depending upon uncertain tariffs in order to compete successfully with the cheap labor of the tropics and China, and the former depending upon a world market, which too often has been manipulated against the interest of the producer.

Secretary Lane's plan of settling great colonies of returning soldiers and sailors on large tracts of land covers the very idea that I am trying to advance with reference to the agricultural lands of Louisiana. We can furnish him with the finest lands in the world in bodies of from one thousand acres to eight hundred thousand acres; and, being just as patriotic

after as during the war, we are willing for the Government to place her own price on these lands.

If it should meet the views of the Honorable Secretary of the Interior, we would be glad to go still further and offer lands to the other soldiers and sailors of liberty who have fought under the flags of our victorious Allies. We have no fear of their not making good farmers and good Americans. They are committed forever to the greatest of all political principles, the principle of freedom.

I wish to add that we have recently adopted constitutional amendments that have completely changed the tax and assessment systems of the State. Heretofore the tax rates were high and the assessments were low, and as a result inequalities and lack of uniformity of assessments existed everywhere. The individual assessor of a Parish, with practically no restraining authority to make him do the correct thing, assessed as he pleased, and oftentimes some of them omitted to assess a great deal of property. Now all of this is changed. Our rates of taxation, state and local, have been cut half in two, and assessments will be made at cash value. A State Assessing Board has been created with strong supervising authority over the local assessors and with full authority to assess for the State herself. Henceforth, there will be uniformity of assessment, hidden property will be brought to the light, and every man will be compelled to pay his just share of taxes. As a further result of this system, too, the State will be advertised as a rich state with a low rate of taxation instead of a poor state with a high rate of taxation as heretofore.

We are bringing our waterways back into commercial service; great state owned cotton, grain and other warehouses have been, and are still being, erected at the port of New Orleans; and the State is constructing a comprehensive inner harbor running through the City of New Orleans from the Mississippi River to Lake Pontchartrain.

These are some of the preparations which we are making in advance of a tremendous world trade into which the United States will enter in a short while. The farmers within the commercial zone of New Orleans will feed the

benefits which will accrue from the City's commercial prosperity and importance.

Indeed, Louisiana hopes and believes that the great agricultural and commercial development which is in store for her will not only result in great benefit and glory to the State but also to the entire Union.

CHAIRMAN TOWNSEND—Governor Philipp of Wisconsin is recognized.

GOVERNOR PHILIPP—I spoke last night before we adjourned about discussing the question of military training. I would like to interest the Governors in that question and would like the Governors to agree to some hour of the day when we might take up that discussion. I ask you, Mr. Chairman, whether it will be possible to amend the order of business so that we can have some stated time when we can begin an exchange of views upon that important question. I think most of the Governors here are deeply interested in it. It is a matter that affects all the States, and inasmuch as Congress is going to take some action regarding that question, I think we here, representing the States, ought to give an expression of our views thereon. I want to inquire again whether it will be possible to fix some time during the day when we might take up that discussion.

CHAIRMAN TOWNSEND—Governor Philipp, I have felt as you do, and I am very anxious to hear that question discussed and to arrive at some definite, concrete action, but I understand that we only have two other papers and they are short, and immediately after the reading of those papers the Chairman will make the suggestion that we go into a discussion of those questions.

I now have the pleasure of introducing to you Governor-Elect J. B. A. Robertson of Oklahoma.

GOVERNOR-ELECT ROBERTSON—Mr. Chairman and Gentlemen of the Conference: In the interest of economy of time, and with the thought my friend, Governor Philipp, had in mind, I will confine my remarks to my paper and not take any more time than may be absolutely necessary.

Before starting, however, my notion of this subject: "Agricultural Policy of the State," was to speak to a program that would be of common interest to all of the States, and I have endeavored to do that.

The Agricultural Policy of the State

GOVERNOR-ELECT J. B. A. ROBERTSON, of Oklahoma

In a discussion of this subject, I will not attempt, in the brief time at my command, to enumerate all the problems that relate to agriculture which must be met and solved by the different states of the Union, but will call the attention of the Conference to some of the fundamental needs of the farming industry that are so vital to its well-being and development, that they should enter, with certain modifications into the administrative policies of the several states.

Few, if any, of the problems which now confront the agricultural industries of the states are new ones, but the test of war has served to accentuate the necessity of finding an early and practicable solution for them.

We must recognize that the great political, social, economic and commercial upheaval that has attended the world war has made it impossible for the productive industries of this country to drop back into the ruts in which they floundered before that epochal period. The awful flames of war have at least illuminated the future sufficiently in this direction to show the necessity for the adoption by the States and by the Nation of broad, comprehensive and enlightened policies for the promotion and development of our agricultural interests, which are and will continue to be the basic source of our peoples' welfare and prosperity.

TRANSPORTATION

As the foundation of the needs of agriculture and its kindred industries, and as the corner stone of a progressive State policy for their promotion, I would place the creation and maintenance of a permanent and comprehensive system of State and National highways; for in this age of motor power and the unlimited development of its possibilities,

permanent, serviceable highways are essential to the economic use of said power.

It is in the modern development of motor vehicles and the economic application of motor power to farm work, transportation and the marketing of farm products that the hopes for success and prosperity in the future for farm industries lie, for just as the efficiency of an army in these modern days must in the last analysis be figured in terms of transportation and motive power, so the future development of agriculture in the states and in the Nation is most closely allied to the facility and cost of transportation as an element of the marketing problem.

To secure the building of this modern system of highways, the State is the most effective unit of Government, for not only must the contemplated expenditure be on a scale of magnitude too large to be undertaken by counties or municipalities, but the location of these highways should be fixed in the bill or resolution submitted to the people to secure their approval and consent for the undertaking and to provide the finances.

The Federal Government should co-operate equally in the building of this State system of highways, for such a system would meet every requirement for military and post roads and every other service of a National character in time of peace or war. To the counties and municipalities would be left the location and maintenance of the local and connecting roads and with the moneys now wasted in spasmodic attempts to improve or maintain dirt roads every community in the State could enjoy the substantial economic blessing of a permanently built and carefully maintained system of highways, over which it would be possible to reach, at the lowest cost, the markets of the world.

THE DISTRIBUTION OF FARM PRODUCTS

So closely related to the problem of good roads is the question of "Farm Marketing" that it may be said that without good roads there can be no such thing as an efficient distribution of farm products; and by efficient, I mean distribution at a season and with an economic cost that will

insure a reasonable measure of profit to the producer, without bankrupting the consumer. Someone has well said that,—“the present system of marketing is clumsy, wasteful, costly and inefficient and lends itself readily to the most offensive forms of speculation and control. It jeopardizes adequate food production by establishing the lowest possible price to the producers and in turn naming the highest, possible price to the consumers. Cost of production plus a fair profit should determine the price of farm products.” In Oklahoma, we have made a start in the direction of securing better marketing conditions, but it is only a start, and has thus far, because of abnormal conditions affecting the general markets of all products, had insufficient test to prove its possibilities. We shall go forward, however, in that State, until we find the solution, for, by reason of the enormous increase in production in the agricultural states, through the aid of improved machinery and scientific methods, and in view of the world-wide demand for food products, it is our patent duty to bend every effort to remove all obstructions in the way of an unrestricted flow of farm products to the markets of the world.

To the farmers of the Western States, at least, transportation and markets are the most immediate and pressing problems, and in this problem is involved improved railroad service and ware house and stockyard supervision with State or Federal control, if necessary, to relieve the traffic in farm products from the combination of profit-takers and exploiters who have become veritable parasites on agricultural industry.

The marketing problem is going to demand the organization of the different agricultural interests for the advancement of their material and business affairs, just as bankers, merchants, oil men, and others, unite for such purposes.

The trouble has been in the past that farmers' organizations have been too frequently betrayed by their leaders and turned from their legitimate functions by agitators to take up chimerical and impractical political and class alignments that have ultimately resulted in their downfall.

The organization among farmers, which the State should encourage, is for the purpose of co-operation in shipping and

marketing associations and for the betterment of the social and educational conditions and environments. Farming has already become one of the advanced industrial sciences and so rapid have been the changes in some respects and so boundless are the opportunities for progress in others, that the call for co-operation is insistent and must be heard. The encouragement of this co-operation by law and executive policy is in my judgment a duty to which administrative and executive officers should address themselves most earnestly.

I cannot say that I am much impressed at this time with the practicability of any of the "back to the farm" movements that are being advanced as means of absorbing the surplus labor that will be created by demobilization of the millions of our soldiers and others who have been engaged in war work. The plans have merit, but I fear the returning soldiers, for whom these provisions are to be made, will be more strongly attracted toward the already overcrowded cities and towns, and that not 70 per cent of the men originally drawn from the farms to the mobilization camps can be induced to return to the land.

The truth is, that farm life in America, by reason of the long hours, and low wages, and because of the drudgery that has too often been the part of the women and children, has suffered heavily by comparison with the apparent advantages of town or city life, and in the past, just as America with its freedom, higher wage scales and wider opportunities, became a rosy vision of promise and beckoning hope to the oppressed working classes of other Nations, our cities and towns, with their broader opportunities, free life, and more interesting and exciting social environments, have become the Mecca toward which the eyes and longings of the farmer boys and girls have been turned, and to which they continue in growing numbers to direct their pilgrimage.

Before this constant movement away from the farms of the most progressive and ambitious of its young men and women can be stopped, we must remove or modify the causes. There must be a vigorous and intelligent effort to increase the scope and effectiveness of the practical attempts now

being put forth by the Agricultural Schools and Colleges, and by the State and Federal Departments to make farm life more inviting, more organized National and State stimulation must be put into a country wide effort to make rural life more attractive and in this effort the relation of good roads, good markets, improved rural schools, better paid teachers, better paid farm labor, less drudgery for the wives and children, on the average farm and the development and growth of a community spirit which will lead to the use of the school house or the church as social community centers are all essential factors.

We must do something that will count in modernizing and humanizing the home and social side of the average farm life, the barren and uninviting aspect of which is not only robbing agriculture of the cream of each generation but is leaving on the farms millions of hopeless and discouraged families, made such by their environment, who have neither the energy to go nor the desire to stay.

I am most hopefully aware of the great uplifting movement that has been going forward along the line of improving the conditions of farm life. This movement has been given great impetus by the Federal Department, which radiates through the agricultural colleges and the county agents to the farm homes in every community. The State, however, should take an aggressive and leading part in a concerted and continuous plan to bring to the rural communities every educational and social community advantage as well as material opportunity that the modern growth and development of science and art make possible.

I do not mean in urging this policy that the State shall become paternal, or make of the farmers a pet or favored class, but I do mean that the exclusive individualism of the farmer and of farm life must give way under the stress of modern conditions to the spirit of co-operation and community interest that lies at the bottom of our urban progress and that has served to make city and town life so immeasurably more attractive to the workers of both sexes.

HOME OWNERSHIP AND TENANTRY

When we contemplate that in the first few decades that followed the Civil War, the millions of acres of virgin soil that then constituted the public domain, were made available to homeseekers under the homestead law, and that in what now are among the greatest of our agricultural states the patent for a home passed directly to the entryman, and that this land had been tax free and could not be mortgaged; and that in the years that have come and gone since this great and bountiful land distribution, the "tenant system" has fastened itself upon these great states as well as others of the sisterhood until it has become a menace to the welfare of the Nation, it is enough to startle us all. The wasteful and destructive methods of crop culture and other unsatisfactory conditions which this system imposes, and the sullen, hopeless, dissatisfied class of our citizenship, it has a tendency to create, constitutes one of the most far-reaching dangers with which the future of agriculture is threatened.

No free, agricultural state can long survive the day in which a majority of its agricultural population becomes tenants of the soil they till. The pathway of civilization is strewn with the wrecks of Nations whose downfall can be traced to absentee landlords and the manifest evils of the tenant systems and this great country of ours must take more vigorous steps than it has yet taken to stop the growth and eradicate the blighting evils of this poisonous system or we will follow in the foot steps of those that have gone before.

To remedy this evil "Home Ownership Laws" have been put in operation by some of the States and by the Nation, and Oklahoma, although one of the youngest of the Commonwealth, has been a pioneer in this movement.

With the sale of school and public lands upon the forty-year-payment, low-interest plan, and the passage of a law to loan one-half of the purchase price of land to a bona fide tiller of the soil in the new State, the growth of tenantry has been temporarily checked, but it has not been eradicated. To accomplish the latter, a graduated land tax has been

earnestly agitated and has strong support among the people, and may be one of the instruments which must be used before the tenant evil is completely overcome and while I favor this and every other weapon that can be used to not only abate but destroy this monstrous perversion of the principle of equal opportunity that must obtain under a truly democratic form of government, I do not consider that a proper balance and readjustment can be brought about by the sole employment of this or any other one remedy, no matter how promising or potent such agency might be.

Our home ownership laws must be made more liberal and more inviting. These laws must invite and hold out hope to the landless men and women who desire to get back to the soil, but who have not the capital with which to make the initial payment. Some form of payment on the amortization plan must be worked out and made operative in which the energy, purpose and capacity of the human equation in this problem will be given its greatest value.

The minds of many strong, capable, thinking men are being directed toward a solution of this most vital question, and progress is being made and substantial advancement has been gained through "land bank" and other forward looking movements in the creation of a more workable system of rural credits. In the perfection of methods that will bring to the farming industry the transportation facilities and the financial resources and accommodations that have made our commerce prosper and grow and the extension to farm life and rural community centers some of the privileges and advantages enjoyed by the cities and towns see boundless opportunities for service by state executives and legislatures, and in the earnest co-operation of these agencies of state government in a determined policy to carry forward to a successful conclusion these practical movements that have for their purpose the abolition of the primitive and almost feudal restraints and shackles by which the development of agriculture has been retarded, I think I can vision a policy of the highest usefulness, and a service that will rebound to the benefit and happiness of all mankind.

CHAIRMAN TOWNSEND—Gentlemen: It is now my pleasure to introduce to you Governor-Elect McKelvie of Nebraska.

A State Agricultural Policy

GOVERNOR-ELECT S. R. MCKELVIE of Nebraska

In a state like Nebraska, the agricultural policy that is observed is of fundamental importance to all the people of the commonwealth. Agriculture is our basic industry and undoubtedly always will be. Therefore, influences of far reaching importance to the common good are radiated from the policies that direct agriculture.

The policy that should be observed is now rather a different question from what it would have been in the earlier stages of our development. Nebraska is still a young state, and the position it occupies as a leader among the agricultural states of the Union is only an indication of the position of supremacy that it will occupy in the years to come. However, this remarkable progress has been made in the absence of any very well defined state policy, and like Topsy Nebraska "just grew."

Now we find ourselves confronted with the need for two sets of laws: First, those that will be corrective of the mistakes that have been made in the past, and second; those that will guide us along safe lines in our future development.

Undoubtedly the foremost corrective question is that which deals with the ownership and control of the land. I do not hope to discuss this subject adequately in the short time allotted me, and my observations will have to do principally with the abuses that have arisen out of our land policies of the past which were founded upon the need for a rapid settlement of the land. In order that this might be accomplished, encouragement was given to all to obtain title to a tract of land. Homestead laws, land grants to railroads who in turn sold the land at attractive prices, and other methods dealing with the momentary ambition of the government to pass title to the individual or private interest, were the methods employed.

Of the many policies employed, the homestead laws were certainly the best, and the fewest abuses have grown out of them. They encouraged settlement upon the land, brought about early development and discouraged the taking of title to the land for purely speculative purposes. And this leads me to say that the most serious abuse of the land today is the use that is made of title to it for the selfish speculative purposes of private interests.

Arising out of the easy methods by which title could be acquired to the land, and in the absence of any rules or regulations that would discourage speculation in it, we have in Nebraska large tracts owned and controlled by non-residents and practically 50 per cent of our farmers are tenants. The injury that comes to a commonwealth from a condition like this is just beginning to be realized by us. Development is discouraged and delayed, and toll is being paid even to those who have never seen the land to which they hold title.

Land ownership should contemplate home-building. Thus will the proper stimulus be given to development and protection of the fundamental elements of production. Taking this as the basis, the necessity for discouraging non-resident and landlord ownership is at once recognized. This theory may not be in accord with the principles of greatest economy in farm management (for it is a quite well authenticated fact that large tracts, up to a certain size, are operated most economically) but that loss is far more than offset by the benefits that will come in the solution of our social welfare problems.

I am not a single taxer, the splendid theories of the immortal Henry George in support of that doctrine notwithstanding, and I believe it would be a mistake to attempt to apply the revolutionary processes that would accompany full application of such a policy. But I do believe that our non-resident ownership and tenant problems will be most promptly solved through the application of a graduated tax upon the land. The tax should fall most heavily upon those who are non-resident or hold the land for speculative purposes, and lightest upon those who till the land they own.

LAND LEASE LAWS

The ills that attend a system of tenant farming are well known to all who have made any observations along this line. Violation of the practices which underlie production, inadequate educational advantages for the children of the tenant and unsatisfactory living conditions, all result in a greater or less degree from a system of tenantry.

All of these ills can be mitigated, and some of them eliminated entirely, by land lease laws that provide for the proper cultivation and rotation of crops and shelter for farm livestock and grain. This necessarily means a tenure of lease that will enable the economical observance of this policy.

There are those who feel that a most effective stroke against speculation in land can be made through the enactment of stringent lease laws, and it is quite probable that evil may have to be eliminated through such a course. In any event it is high time that something should be done to stay the activities of those who insist upon reaping where others sow.

THE RURAL SCHOOL

One of the alarming conditions that has prevailed in Nebraska is the decline of the rural school. I doubt if our State has kept pace with the progress that has been made by many other States in meeting that situation. It seems now, however, that the bottom of the decline has been reached and the tendency is now toward a gratifying improvement. This is being brought about principally through the consolidation of districts. In order that progress may be further encouraged it is highly necessary that all barriers against practical consolidation should be removed, and a redistricting of the State should be effected so that all sections will share equally in the benefits.

IMPROVED MARKETING CONDITIONS

Until recently the only well established agricultural policy that has been observed in Nebraska has been increased production. Tremendous progress has been made along that line, and there can be no just criticism of farmers for the

manner in which they have managed the land. To be sure, I would not leave the impression that the maximum of efficiency has been reached, but considering the conditions that have confronted the farmer he has made commendable progress.

During all of this time, or until recently, comparatively little attention has been given to a solution of the economic problems of farming. The farmer has addressed himself assiduously to the subject of growing grain and livestock only to take these products to the market where another fellow's price has been paid for them. Through this lax method of procedure intolerable marketing conditions have been allowed to develop, and practices that were highly injurious to the farmer were permitted to obtain.

It is against these conditions that a great movement among farmers is now abroad in the land and I assure you it is a movement that will not be checked until the proper answer has been given. All agencies which are not economically necessary to the distribution of farm products must be removed while unnecessary speculation, artificial price control and profiteering must come to an end.

CO-OPERATION THE ANSWER

It is only natural that the many efforts which are being made to bring about a correction of these evils should create a state of flux in the mind of the farmer. Perturbed by the highly unfair practices which have been in vogue the farmer is ready to listen to almost anyone who has a solution to offer. This has brought into the field an army of reformers and organizers, the majority of whom view the condition but know nothing of the fundamental principles which underlie its solution.

It seems to me that the safest solution to these economic ills lies in the direction of co-operation. It has brought prompt and lasting relief in other sections and it is making satisfactory progress in Nebraska. If given the proper encouragement with all barriers against it removed, co-operation will overcome the competition of all other agencies

which operate uneconomically and will reserve to the farmer his own agencies of distribution.

The ultimate success of co-operative effort contemplates an even advantage as between co-operative and individual enterprise. Necessarily then the ownership of co-operative institutions at local shipping points is not sufficient. The movement must be carried to the terminal markets and to the boards of trade where co-operative effort may have an even break with all other institutions with which it comes in competition.

CO-OPERATIVE CREDIT SOCIETIES

The agricultural development of every State in the Union has undoubtedly been stayed by the high price that the farmer has been obliged to pay for the use of money. The newer the country the higher the interest rates the farmer has been obliged to pay. Some relief from this condition has come through the federal land bank, but this has been limited to the owners of land.

Right now there is need for cheaper money for the non-land owning farmer who is industrious and honest and whose security for loans is confined to chattels. In foreign lands and in some of the states within our own country, laws have been enacted which provides for the organization of co-operative credit societies.

These societies enable communities or small groups of farmers to join their elements of credit for the benefit of those who need it. Thus is the honest, industrious farmer of small means given the advantage of larger credit and lower priced money.

A WORD OF CAUTION

It must be borne in mind, however, that the success of co-operation is predicated upon the unselfish willingness of the individual to join his interests with his fellows for the common good. Co-operation which contemplates an unfair advantage for any individual or interest will be lashed to pieces upon the same rocks that now threaten the destruction of private enterprises which have been taking an unfair advantage in the past.

Indeed I think it is here that a word of caution should be given when discussing co-operation among farmers. The basic industry in Nebraska is farming, but it is not the all important industry. There is just as great need for co-operation among industries, trades and professions, as there is for co-operation among individuals engaged in a common enterprise. The purpose of co-operation should be not to injure any, but to aid all who are rendering a necessary service in the community. For after all, it is not a question of how we may best serve ourselves alone, but how we may best serve others while serving ourselves.

AN ADMINISTRATIVE POLICY

The success of any policy depends largely upon the manner in which it is administered. Therefore, the discussion of an agricultural policy should include a plan for the efficient administration of it. Unfortunately such agricultural policies as have been adopted in Nebraska in the past, have been hampered in their fulfillment by divided responsibility.

It is my hope that this difficulty will be overcome in the future by a better definition and distribution of the duties and powers of the educational and law enforcement departments. All educational and experimental work should be left to the departments of education, particularly the State University, and all law enforcement should be placed in the hands of the departments of control of the State.

If this is done, it will be possible to collect and co-ordinate the work of enforcement within a department of agriculture over which a responsible and capable head will preside. This will eliminate the numerous boards and commissions which now exercise control over the several branches of agricultural activity and will greatly simplify the handling of agricultural questions.

GOVERNOR TOWNSEND—It is my pleasure to now introduce Governor W. L. Harding of Iowa.

State Agricultural Policy

GOVERNOR W. L. HARDING of Iowa

Members of the Conference: The subject assigned for consideration at this time is "State Agricultural Policy." We have just finished discussion of the subject, "State Land Policy."

The prosperity of any country is gauged by the prosperity of the farmer. The farmer being the source of original production is therefore of vital interest to every citizen, no matter what his occupation may be.

In the past, agricultural policies have largely dealt with the subject of increased production. Tomorrow, the agricultural policy of the State and Nation should deal not only with production, but should include the larger field of "marketing."

I can think of no line of business or activity where there is so much chance as in that of farming. The farmer must contend with the elements, which are always uncertain, in greater degree than any other line of industry. I may safely say there is more "gamble" in farming than in any other occupation. If the seed fails to grow, the crop is a failure. If the sun fails to shine, or the rain fails to fall, or if it is too hot or too cold, too wet or too dry—all of these elements enter in before the farmer has a crop to place on the market.

It is not necessary before this body to review what has been done through agricultural colleges and other agencies to increase the fertility of the soil, improve machinery, and otherwise increase production.

I hold that the farmer is entitled to sell what he produces on an "honest market." At the present time this privilege is not granted him. As a general proposition, he takes the produce of his farm to the nearest market place and sells it for the price that is offered him on the day he presents it, without any knowledge or information of an adequate nature as to whether or not he is receiving what the article is actually worth at the time.

Every individual in the State, whether or not he is engaged in agriculture, is interested in this marketing problem. The

laborer who buys and consumes the produce of the farm is as vitally interested as is the farmer.

There are two general nation-wide obstacles in the way of an honest market at this time that I desire to call to your attention:

First, is the food produce gambler, the man who buys and sells that which does not exist. I know when I mention this subject I tread on dangerous ground. However, I want it distinctly understood that in my judgment there never can be an honest market for the produce of the farm so long as the gambler is permitted to run loose and create false markets and false impressions about supply and demand.

Second, we owe it to the producer as well as the consumer to gather definite detailed information as to the amount of the various kinds of foodstuffs produced each year, not by estimate but by actual figures. It occurs to me that if in each township or school district or some subdivision there was an accredited representative who on a certain day—say the 15th of June, was to gather the exact number of acres of each kind of cereal, report that to the township, from the township to the county, from the county to the state, and from the state to the nation. Then again at a certain time in the fall, say December 15th information was gathered as to the number of bushels actually produced of each article—that in the course of a very few years we would have definite statistical information upon which an intelligent opinion could be formed by the farmer in deciding what to plant and when to sell.

In other words, by doing away with the gambler and creating definite information as to the supply, we might re-enact, or rather re-establish, the law of supply and demand. The farmer could not object to selling upon this kind of a market.

In the meantime, and as an important agricultural policy, marketing should be studied with two thoughts in mind; first, to present to the farmer the best market that now exists; and second, to create for him new markets for the produce which he already has and to open up new markets for new products which he does not now produce.

The growth of commercialized farming has increased the distance from producer to consumer. This calls for a type of marketing organization unknown in the past. The farmer today does not produce alone for a local market or for home consumption. In former days, he was familiar with the demands, now with the extended market it is beyond his power to know, so he is much in the dark as to what to plant and where to sell.

As the farmer has been organized in the past for increased production, he should now be organized for increased marketing facilities and opportunities. Various attempts have been made along this line, but most of them have been wide of the mark. The average individual who thinks along these lines pre-supposes that a political organization of some kind or nature can accomplish the purpose. Marketing is a business proposition and not a political maneuver. Correct marketing is based upon sound economic principles, and not upon political maneuvering or advantage.

One of the successful ways of meeting this new problem is through the Farm Bureau organization. In the State of Iowa, and I speak of that State because I am familiar with the facts there, we have a Farm Bureau in each county in the State. In ninety-eight counties, we have a Farm Agent, in one county we have two Farm Agents. We already have 33,144 members of these Farm Bureaus and 15,000 co-operators. There is a co-operator in each school district. He is a member of the organization appointed to co-operate with the County Agent and with his neighbors in all lines of agricultural endeavor. A state organization of these County Agents, co-operators, and members, with specific appropriation in connection with the agricultural colleges for the purpose of studying marketing conditions and remedying marketing evils will soon put the produce of the farmer upon an honest market regulated by supply and demand.

This line of work has already been started in many of the states. In Iowa, a movement has been started using the co-operators for the exchange of pure-bred and grade stock of various kinds. The co-operator finds out from his neighbors what their demands are, and also what they have to

sell. This information is centralized, and thus the exchange takes place with very little expense.

Another movement along the same line is in reference to "feeders." Formerly, it has been the policy to give the feeder a round trip ticket to the adjacent markets before it finally is sent back to the pen for fattening for the final market—all of this at great waste of time, money and flesh. Now, the co-operators find out just what the supply is in their locality and the demand, if there is one, and the two are brought together.

In my State, since July 1st, 1917, the Marketing Department of the Agricultural College has assisted seventeen communities in organizing Farmers' Livestock Shipping Companies. There are in the State, according to the latest available information, two hundred four such livestock shipping companies in operation that did a business aggregating seventy-five million dollars. From reports coming from these organizations, a saving varying from 25c to 75c per hundred pounds is effected. This shows what can be done along this line and is a partial solution of the marketing problem.

It is my firm conviction that we should keep up all of the work which has been done in the interests of production and should add to it a marketing department. Adequate financial assistance should be given for investigation, to find out the best markets and the supply and demand.

A campaign of education and publicity should be carried on. Legislation should follow to make effective the information thus acquired.

Another policy that is of vital importance both from the standpoint of production and of price in selling is that of seeing to it that the very best seed possible is used. The tendency in the past has been to permit seed to be sold without a guaranty. This should be changed as rapidly as possible and great care should be exercised in seeing to it that the seed is constantly improved. Care should be taken on the part of each State through necessary statutes to provide that poor seed is not shipped from one State into

another. Proper co-operation between the States along this line will accomplish a great amount of good.

Experts inform me that in respect to the corn crop the producer loses from four to six bushels per acre the first year that seed is planted from a distance. In a State where ten million acres of corn are planted, this is an important item, and it is easy to estimate what it means in reduced production. I am informed that the same general truth holds good in all lines of seed, and yet in the past little attention has been paid to this important item, so far as the state is concerned.

Growing out of the war, we have learned some lessons that ought to be of great help to us during peace times. One is the necessity of community co-operation and organization. This point can be illustrated by the experience in my State in reference to seed corn. In the opinion of our oldest inhabitants, Iowa, in the fall of 1917 and '18, faced the most serious seed corn situation in her history. The cold, wet summer held the corn back and kept it from maturing. Frost in early September killed much of the corn in the northern part of the State. In the early part of October, continuing for four nights, hard frosts occurred, which killed or injured practically all of the corn in the field and also injured much of the corn which had already been picked for seed. The October weather was cold. We require from a million and a half to two million bushels of seed each year. The County Co-operators were directed to make a canvass in January of every farm, find out whether the farmer had seed corn, whether new or old, and whether it had been tested. The result of this canvass showed that 70 per cent of the farmers were not provided with seed corn. During this same canvass, all old corn in the State was located. When the seriousness of the situation was definitely known, all old corn was taken possession of by the County Agents through co-operation with the owner, and held for seed corn. The result was that every farmer in the State tested his seed corn or had it tested in the community in which he lived and that we had a better stand of corn than ever before in the history of the State and an increased pro-

duction of 55,465,000 bushels above the average for the ten-year period preceding the war. This one item alone, in increased production brought enough money into the State to take the State's quota of Thrift Stamps, Red Cross, and Allied Drive for the period of the war.

With 217,000 farms in the State, each farmer and farm laborer cultivating seventy acres of land, and better than 50,000 farmers and farm laborers in the service of the country in the army and navy, the production of corn, oats, wheat, barley and rye for 1917 and '18 was increased 27 per cent over the average for the period of ten years preceding the war.

It should become a part of the agricultural policy of the State to establish the fact that the individual farmer, in production, soil conservation, and marketing, is hopelessly lost if he tries to work alone, but if there is community organization and state-wide co-operation, the individual becomes a mighty factor in one of the sources of original production of wealth.

What has been done during the war time period by co-operation can be done to much better purpose during peace time.

Take, for example, the important item of livestock. We have some wonderful herds and some wonderful strains in this country. So far, this has been the work of the individual. It requires a great amount of money and special training in order to accomplish anything along this line. Communities might well join together in developing a strain of stock, and to encourage this it seems to me feasible that the state should lend some financial assistance in the purchase of a sire, leaving the control in the hands of the community, but putting the hand of the State upon it just enough to direct and encourage. If this can be done, instead of having a few individuals who have fine herds and then a large number in every community who have poor grade herds or none at all, we could greatly increase the value of every herd by combining the community interest with a little aid from the State.

The State must recognize as its policy for the future that while the individual farmer should be left to his own initiative, yet on the large subjects such as soil conservation, improving the grade and quality of livestock, improving and making sure the quality of seed, and in insuring the quality and in the marketing of produce, the State has an interest not only for the present but for the future, and that it should lend a directing and assisting hand to the extent that the force and power of the individuals may be properly coordinated in results that will make for a permanent and lasting prosperity.

GOVERNOR TOWNSEND—Gentlemen: The Conference is certainly indebted to Governor Pleasant, Governor Robertson, Governor McKelvie and Governor Harding for the splendid papers they have read on State Agricultural Policies.

We will now enter upon a general discussion of reconstruction policies. May I suggest as the first thought, Military Training? I will ask Governor Philipp to open the discussion.

GOVERNOR PHILIPP—Mr. Chairman: I feel that this Conference of Governors will do well to discuss not only the question of military training but some of the questions that involve the problems of reconstruction. There are some features in which uniformity of action will be desired, and I hope we will not, out of this general discussion, stop with the mere discussion of military training. We have just concluded a great war with a great military power. This country was forced into the struggle for the purpose of destroying militarism. There probably was no feature in the questions before the world that attracted so many American citizens and interested so many people in this country as that one thought, that we wanted to destroy militarism. Now we, in connection with our Allies, have destroyed the greatest military power that the world has ever seen. It seems to me that we should not here lay the ground plan for committing the same folly that some of the nations of Europe have been guilty of. Regardless of wheth-

er we establish a League of Nations for the purpose of giving enduring peace, we must, in my judgment, make some military preparations in this country. We ought not again to permit ourselves to relapse into this absolute state of unpreparedness that we had after the Civil War. It is not prudent for a great nation like this to permit itself to get into a situation where we do not know what may happen tomorrow, or what great foe may come upon us suddenly, and at what time we may again find ourselves entirely unprepared, rich in money, with an abundance of splendid men and resources of all kinds, but with no instruments of defense or protection. I think upon that question the people of this country are quite well united; they do not want that to happen again. The problem, however, is how to make the necessary preparations. So far as military equipment is concerned, it would be inexcusable on the part of the United States Government to again permit its arsenals to be either empty or to be filled with antiquated implements of war. That is, however, a matter that Congress should look after, and the military equipment should be kept up to date and we should have an abundant supply of it at all times. It ought not to be necessary, either, to get ourselves in the situation where we become so hard pressed for ships that the country has got to give up contracts on the basis of cost plus. That ought not happen again. Then, too, we might now always have the opportunity to take the commercial fleet of another nation to transport our troops. So we ought to be prepared for that. It will be a long time before the Western Congressmen, who, perhaps, never saw anything but a prairie schooner, make up their minds that the country ever needed any ships. That need has been pretty well demonstrated now, however, so there should be no further quarrel about that.

Now, we get to the question of military training. That is a matter that is entitled to the serious consideration of the people of this country at this time. As I stated before, we do not want to establish militarism, we do not wish to create a republic with a military government. We do not want to give the military of this country the power to run

this republic. I do not mean to say by that the military power wants it at this time, I am talking about the future. You can not put together a great organization, it matters not what its purpose in life is, without making it a powerful political organization in this country. We see that demonstrated to us daily. It matters not what men and women get together for, outside of social reasons, it does not matter what kind of organizations are made in our State, sooner or later they drift into politics. That is true, unfortunately, of some of the churches, organized and maintained for the purpose of promoting the Christian religion.

There are two ways of proceeding: one is to establish a regular army of adequate size. That, to my notion, is the beginning of militarism in the United States and ought to be objectionable to the people at this time. The other is to create an army through State units. We have done that in a way. The National Guard, and I think most every State had more or less of a Guard, was at least a partially trained military institution when the war commenced. My own State had a National Guard in 1916. We promptly gave this Government 3,000 men and sent them to the Mexican border. The men came home with a good reputation. United States army officers declared it a good institution. They were entirely satisfied with the training that they had in the State of Wisconsin. That was only a part of their training, of course; they had had a good foundation in military training. When the United States became involved in the great world war we gave the country 16,000 National Guardsmen. We furnished them promptly. They were mobilized really before the call came. They were finally taken to Waco, Texas. It was, I think, the sixth military unit that crossed the Atlantic. We furnished men for the Rainbow Division; I think the State gave three companies for that organization. The balance of Wisconsin's Guard is in the Thirty-second Division, as is also the guard of my neighboring State, Michigan. The reputation that these men have made is well known to all men who wear military uniforms, and to all citizens of this country as well. No one, I think, would ask for a better military organization.

The military training of those men, could, of course, have been improved in the State of Wisconsin. This could have been done without taking those 16,000 men out of industry and out of production for any great length of time. It had been our custom in Wisconsin to call the guard to the training grounds for two weeks each year. I confess that is not much; it is hardly sufficient. They train in their armories in their respective homes, wherever there is a unit organized. They met once or twice or three times per week in the evening, as the officers thought best, and with that bit of training in the time that was devoted to it we did give this Nation a partially trained organization of 16,000 men, and the men in charge of our affairs in Europe have said that they made a splendid record, and that they have been as good a fighting organization as there is in France. Now, with that small effort this splendid army was produced. We can, if we increase the time that these men put in in these training places, improve the quality of the State Guardsmen and we can bring their training up to a point where the Guard of Wisconsin and the Guard of every other State and the Guardsmen of the whole country may reach a point of efficiency just as high as that of the army of Switzerland, and I have not heard any military man say that the Swiss Army is not well trained. And yet they do not keep a great mass of people out of production all the time. They do so, perhaps, on a larger scale than we do here. They call their men of military age together each year. They give them a certain period of training. After that each year they must train either at some central point or at home. Now that seems to be about all that we should do toward military training. That is all that is necessary to produce an efficient army. We have demonstrated generally that an American man does not have to be a soldier for four years before he can be efficient. We have efficient men in the service who have been there probably six months. Those who did the hardest fighting were in the service less than a year. With the training our men were given in that time they were able to meet and defeat the professional soldiers of Germany that never did anything else but fight or train for fighting. Now,

with that record it does seem to me that we do not need to take men and put them into non-productive life, especially in a country like ours where there is so much to do and where men are so badly needed as they are here for other occupations.

I feel, gentlemen, if you are in accord with me, if you believe as I do, that instead of organizing a great central army, instead of organizing a regular army—I mean of course, after the period of occupation is over—instead of creating an army of 500,000 or a million men to be known as regular soldiers, men to be taken out of all productive occupations, it would be better for us to continue our military training through the organization of State Guards, and that the organizations should be large enough to supply sufficient men, the aggregate to be divided among the different States according to population. I believe it to be the most practical system of military training that we can have in this country, and it has one great advantage over any other system, namely, it does not create a great centralized body of military men who will in the end become a power in our politics, and convert us into a militaristic Government.

Now, I spoke on this subject yesterday, and I would like to get the views of other Governors.

GOVERNOR BOYLE of Nevada—Mr. Chairmen and Gentlemen: I fully advocate the policy advanced by Governor Philipp.

However, I do not believe he goes far enough. I believe there is, in connection with the maintenance of the National Guard, the necessity for a universal military training in America. And I make that statement in view of the evidence thus far obtainable to the effect that the training of the three or four million men who were brought into military service during the recent emergency has resulted in actually raising the type of citizenship in this country. There are only two things in the minds of the American people which justify conscription of men and the withdrawal of men for any length of time from their normal vocations: one is war, and the other is public education. Universal military training comes under the latter qualification. It offers oppor-

tunity for the building of citizenship, the building of character, and it provides further a solution to a chronic social and industrial problem in America, the question of the unemployed.

I called attention yesterday in my humble effort to present to you some of the aspects of the labor problem, the fact that there are in normal times 1,100,000 men in America willing to work but who can not find positions. To withdraw for a certain limited period the young men from ordinary industry for the purpose of training them, as were the soldiers who passed through the training camps created on account of the war emergency, would have the effect of giving to the young men of this country a better notion of discipline, better poise, a better conception of the responsibilities of citizenship, than they could possibly gain without such systematic and scientific training. In this way we would not only be preparing ourselves for emergencies, but would be aiding in the circumvention or avoidance of conditions which are chronic, or which have been chronic in the past and will perhaps become chronic again in the future.

I believe in the National Guard training as an aftermath to this preliminary universal training. But I believe in the National Guard as a strictly national agency, not as a police force. The National Guard might have become a potent factor in the determination of our military program had they been relieved from the unnatural duty of enforcing law and order in the communities in which they lived. That is the function of the mercenary policemen, it is not the function of the volunteer. Experience has taught us that this function has broken down the National Guard, that it has tended to create class distinction, that it has done all of the things which it should not have done, among others the practical destruction of the utility of the Guard itself. The policing of districts during internal problems should be done by paid policemen, by State constabulary, if you please, and I believe that the Guard should be maintained, just as Governor Philipp believes that it should be maintained, but I believe as a precedent to service in the National Guard

there should be universal military training of all of the youth of this country, and we should recognize at once, clear eyed, that the substitution of that system in America would not withdraw any men from necessary industry who are not withdrawn at the present time by virtue of the conditions which exist in the industry itself.

GOVERNOR ALLEN of Kansas—Mr. Chairman: I wish to make a motion. The value of a discussion of this kind lies in having an expression of opinion from as many of us as possible, and I think that each speaker should be limited to five minutes in order that there may be a full expression from the Conference.

GOVERNOR CAMPBELL of Arizona—I second that motion.

GOVERNOR TOWNSEND—Gentlemen, you have heard the motion, that the discussion be limited to five minutes. What is your pleasure?

(The motion, being duly put, was carried without dissent.)

GOVERNOR TOWNSEND—Is there any other Governor who would like to discuss this question?

GOVERNOR HOUX of Wyoming—Mr. Chairman: At this time I am undecided as to the extent of the standing army that we should maintain in the United States, but I am thoroughly convinced that no one can train our young men and fit them for service in the army better than the United States Government. I am heartily in favor of a military training. The Government is well equipped for this business, and under our form of Government I entertain no fears whatever of militarism in the United States of America when the people of America govern and elect their governing officers.

Now I, in a jocular way, will have to take exceptions to the remark of my friend from Wisconsin who referred to the "prairie schooner" Congressmen, who seemingly were not interested in this war at its outbreak, and I wish to inform that gentleman that I come from a "prairie schooner" State, probably the last frontier State in the Union today, and from that State, my friends, in a very short time, we

furnished 17 per cent of the male population to the war, and in that little territory of less than 200,000 inhabitants we bought \$25,000,000 in Liberty Bonds, and we are heartily in favor of any movement that will successfully carry out this war and bring about that peace which we all so much seek, and I am heartily in favor of training the young men for military service.

We have in all of our important towns and villages, our high school cadets, and we are turning out soldiers every day through our public schools in the State of Wyoming, and I think it is the greatest thing in the world that every young man, whether he is ever expected to be called upon to serve his country in war or not, should be trained and disciplined, because we have learned in a very short period of time that it has made men out of the young men who have gone into the army and gone into this war. It has made them better men physically, morally and in every other way.

Now, I am heartily in favor of training men, but I am really opposed to the States' maintaining a National Guard and taking the responsibility of furnishing this army that we might be called upon to furnish. Let it be carried on by the Federal Government, which is well equipped for that business.

GOVERNOR PHILIPP—Mr. Chairman: I do not want the Governor to misunderstand my allusion to the "prairie schooners." What I had reference to was the lack of co-operation on the part of many western Congressmen in the movement that has been put forth in this country for many years to establish a merchant marine. What I said had no reference to what has been done since the war. We all know that the problem of establishing a merchant marine was before Congress for many years. The Western people, those of my own State included, although we did not have very much prairie land, did not understand that it was necessary to give some encouragement to shipbuilders, and the result was that when the war broke out we had no merchant marine. That is what I had reference to.

GOVERNOR BICKETT of North Carolina—Mr. Chairman: It seems to me that we are not in a position, that is, the

States are not, at this time, to determine what would be the wisest policy to pursue in respect to this question. It would seem to me that we must abide by the results of the deliberations of the Peace Conference before we can make up our minds as to what will be the best policy for this country. We may face an entirely different situation six months from now from that which is presented to us at the present time. Whatever this Nation does with respect to its course in military preparedness must be governed in the main by what is done in the great Peace Conference that is now about to be assembled.

The present drift of my own mind, subject always to revision and change by what may be done over there, is that if we were to spend the same amount of money, if the National Government should spend the same amount of money that it would require to establish universal training, in seeing to it first, that all children attend public schools; second, that all children are at stated periods physically examined in order to detect and correct any physical defects that may be found to exist; third, that courses in physical training are established in all public schools as they are in the training camps, and, in addition to all this, if a course in civil government were made compulsory in every public school throughout the land in which the children would be grounded in the fundamental principles and ideals of American institutions and be taught reverence for the flag and taught a sense of obligation as citizens, that such a policy and course of procedure and expenditure would do more to insure the strength and safety and the peace of this Nation and the whole world, than any system of universal military training we might adopt.

GOVERNOR DAVIS of Virginia—Mr. Chairman: I confess I have been very much interested in this meeting and in the discussions that have taken place. It seems to me to present a wonderful opportunity on the part of the States to take that place which they seem to have abandoned in the councils of the Nation. We seem to have lost sight of the fact in all of our discussions that in the formation of this Government certain sovereign States joined and delegated

to the United States certain powers and reserved to themselves certain other powers looking to the welfare and happiness of their people. We have entered and have won a magnificent victory. People are inclined to take it that we are through with our troubles. We are rejoicing over the magnificent victories that we have met with and rejoicing over the heroes whom we have developed in this conflict, and we seem blind, from the standpoint of statesmanship, to the grave crisis that confronts us. If we are to accept the position that the powers surrender to the National Government happily and patriotically for the winning of this war are to remain in the National Government, if we are to enter upon a period of militarism forgetting those checks and balances in our form of government which have been its keynote and which have perpetuated it, then those boys who went to Europe and who died there will have died in vain. My view is that we want to hark back to the time before the war; we want to now dispense with those Federal agencies which so well performed a magnificent and patriotic function in this war. We want to get back to that system of home rule and of attending to our own affairs that has been characteristic of this Government from its inception.

The Federal Government seems to have a money tree at Washington, and every time they shake it and give us money, they feel that they are performing for us a great favor. The fact is that the Federal Government comes to the States and by taxation, indirect oftentimes, secures those moneys and most often inefficiently expends what we are too timid to tax ourselves to spend for ourselves. The question is whether that spirit of militarism that we went 3,000 miles across the sea to destroy, is to be transplanted here, and whether military training, whether troops and a great standing army, are to be the seed to be sowed here—seeds brought from the tainted atmosphere of Prussia on the other side.

We see here today great Governmental changes taking place with regard to property and people's rights, and yet we have on the statute books a law gagging the press and destroying the power of public speech so that these matters can not be fairly and honestly discussed. It is a great mis-

take for the Governors of these sovereign States to stand still and not to assume the position that we are going back to our first principles. If the army we raised and sent to Prussia was strong enough and brave enough to destroy Prussianism, it is good enough to maintain this Government, I take it, to the end.

GOVERNOR ALLEN of Kansas—Mr. Chairman: I am very heartily in accord with some of the sentiments expressed by our distinguished Governor from Virginia. I do think that the time will come when we will want to demobilize somewhat the centralization of the National Government as it is at this hour:

However, to get to the question of training men for future emergency, I do not believe we are going to find it a practical thing to train them in State units. I believe that before we have successfully solved this problem we will have to come to a system of military training, simple and democratic, somewhat similar to that in vogue in Switzerland, a nation that has trained a great percentage of its male population in an efficient way for military service, but has not become militarized.

It is easy for us, standing here at this hour of victory, to say that we fought as well as we need to have fought. Here we are, a lot of middle aged men, given very little to combat, but many of us might have gone into the prize fight between a champion or his opponent in the eleventh round and might, at that stage, have made a very good showing against either of them, but we might not have been capable of opposing either one at the outset, and such a standard should not be taken as the final expression of our virility in combat.

We have had ample opportunity to witness the efficiency of the National Guard, the efficiency of the American system in this contest and, in a sentence it was summed up by a great French general after the battle of the Argonne Forest, when, in discussing the American army, he said, "I would not say that they were good soldiers, but they were great fighters." If the war had been carried on, if the fight had been carried on by the other armies of Europe during the last four and one-half years as it was carried on by the troops

of America, there would have been no armies left. Because we did not fight according to any military strategy that would make any nation capable to endure. We went into the battle of the Argonne Forest unprepared and fought it through because of the magnificent contribution of raw man power which America sent to that conflict. And that we were not defeated utterly was not due to any beginnings of military training which we had in this country. It was due to the instinctive courage and the physical strength which sent us forward, and the necessity which drove us on. If we are to be ready for the next conflict we will have to deal with it more broadly and more thoroughly than we did with the smattering we had of National Guard equipment. The National Guard was as good as anything we had in France. The National army, however, had this great advantage over all: every division of it was a cross section of the community whence it came.

Any military system we establish in the future which does not take into consideration the full opportunity of training in colleges or schools, of training men to lead clean lives, of training men in uniform to think and act with and otherwise to secure the benefits of discipline, will be a failure.

GOVERNOR HARRINGTON of Maryland—Mr. Chairman: I wish to announce that Secretary Lane and Secretary Daniels have arrived and are in the ante room.

(The convention arose en masse while Secretaries Lane and Daniels were escorted into the room.)

CHAIRMAN TOWNSEND—Gentlemen: I know you are waiting with a great deal of anticipation and pleasure to hear from our distinguished visitors, and I will not detain you one moment, but will now present to you Honorable Franklin K. Lane, Secretary of the Interior.

HONORABLE FRANKLIN K. LANE, Secretary of the Interior.

Gentlemen: In the presence of so many men who have won their way to distinction, somewhat, at least, because of their ability to speak, I am becomingly modest. I may say to you gentlemen, who are the war Gover-

nors of the greatest war that our country has ever been engaged in, and the greatest war, I trust, that our country ever will be engaged in, that you can not realize the strength, the solidity, the fibre that you have given to us in Washington. The strength of our country and the strength of every country that is a democracy rests not in the head of the Government, in those who are doing and who are constantly before the eyes of the people, but in the heart, the soul, the muscle, the spirit of those who make up the republic. And it has been a constant sense of gratification to us here that no demand that has been made upon the people of the United States through the Governors of the States, has failed of response from you, and enthusiastic response. I trust that the spirit that has been shown will be continued and that much of the machinery that has been developed will be continued. We in the Council of National Defense have been intimately in touch with all sections of the country, put in touch by you through the organization of the State Councils of Defense. In our judgment, for this trying period that is to come—and we do not know what we are to meet—it is essential that you shall be able in future as in in the past to reach your own people with whatever message the National Government may desire to send to them. This is not merely a need growing out of the condition in which we are, but it is for the benefit of this country that the spirit of the activities of the men and women of this country, the national sense that has been developed in them, shall be kept alive. It would be a shame if, for instance, the work, the activity, the enthusiasm of the American woman shown in the past two years should, in the slightest degree, be allowed to fall. They have done things which we men could not have done. This war has been fought by them because they have shown to the boy the purpose of this war, they have stimulated his pride, his selfrespect, his love of country, and they have done all kinds of work which it was believed impossible an American woman could do in the past. The Women's Clubs, the Women's Councils of Defense, the Women's Committees, all these activities in which women have been engaged should not be allowed to lag, and so with

the men. I say that word at this time and at the beginning of my remarks so as to emphasize what Secretary Baker said to you on Monday. We wish you to promote in every way that you possibly can, through legislation, through the message that you will carry home, the idea that the United States will not disintegrate into so many individuals, but that the organized efforts which have been in existence throughout the war shall be maintained until we know that this war is over and its effects are passed. Because neither you nor I can tell what the next six months are to bring forth. We are all optimists in the United States. That is the very foundation of our national and industrial life. No man prospers in this country by preaching the doctrine of discontent. No man has ever risen to great place of eminence or power in this country by preaching hopelessness. That which has conquered the forest and crossed the stream and the desert and has won this continent has not been a feeling of despair but a feeling of hope. We live in a religious atmosphere of faith, and yet we know that there is such a thing as a temporary depression of spirit. We know that all times are not good and we know that now we are passing through a period of transition in which we will have to meet problems such as we have not met before. Those problems largely are the absorption again into our body politic, into our industrial and agricultural life of men who have been drawn out by the Government and sent across the sea or kept in cantonments here. I should like to see in every hamlet in the United States, in every city, and through every State, an organization headed by the Councils of Defense by which it would be made the specific business of those who have this work in hand to see that nobody goes without a place to work, that the women and the men of the villages and of the towns have it upon their hearts as a burden that not only the boys shall have a warm and hearty welcome when they return, but that they shall be cared for by having their old positions secured for them, or new positions found for them. That is a work that is becoming, that is a work that is worthy of us. Anything less than that would be unworthy of us.

And this brings me to talk to you of a method of meeting this situation which does not take from you in the slightest the burden that I would have cast upon you, and that I would take upon myself, but it is to me a particularly practical method of meeting in part this situation. I want your active support for the plan that has been presented to you by me, that has been presented to the President, that has been presented to Congress, that has received the endorsement of the President, and that I trust will receive the endorsement of Congress, and the one essential thing that we want from the Congress is sufficient money to carry the plan out. It is generally known as a plan for making farms for returned soldiers. I need not expatiate to you upon the necessity of having our men tied to our land. You saw in France how dear the French soil was to the Frenchman. He came to a point after three years of war where he said, "If I can not have my own land, then I do not want my own life." He had worked over that soil for a thousand or two thousand years. He had planted trees in it, he had seen them bear fruit. It had been the land of his father and of his grandfather, and they had divided it up and given him a portion of it. He was tied to France because he was a part of France. Not merely in spirit, not merely because there had been a Napoleon and a Charlemagne and a Louis XIV, not merely because of the institutions that had grown out of the Revolution, but because he was one with the glebe itself out of which he had taken his life, into him had come something of its spirit. And so, I believe, it must be in all countries. The foundation spirit of the Russian Revolution was the desire to get possession of the land itself. The more men we can have in agriculture, the more men we can have working upon the land, the more land we can have and the more people tied to that land, men, women and children, the safer this republic is. Take from the land the people, and you take from them something that is more precious than tradition or literature or institutions.

And so I have proposed that the men who are across the water, and the men who have been called into service here, both in the navy and on the land, shall be offered an oppor-

tunity, to become independent farmers. They can become independent farmers because we have the land. In that we are rich. But we have a vast body of land that is unused, slacker land, land that does not serve us, and does not serve the world, land that was no use in this war, that did not feed a Belgian or a Frenchman or an Englishman. That kind of land we should not have. To rid this country of that kind of land is a duty, an obligation, an opportunity. And I want to take the boys who come with the love of out of doors, fresh from the country across the water, I want to take those boys and say to them, here is land, swamp land, marsh land, cut over land, undrained land, desert land, go to work! You have been engaged in saving western civilization and saving the lands that represent our Christian civilization from devastation, from a conqueror who was ruthless, who tore up and cut down the trees, who sent his bombs into the subsoil itself, down to the very bed rock, and blew it up so as to make for a decade or several decades to come the land itself unfertile and useless. Here is a constructive job, here you can make new land, land that never has been of service. Here is an opportunity for an immediate place, here is an opportunity to build a dam upon a desert and store the waters of the Colorado or of the Platte or of St. Mary's, or one of the rivers of the west, storing that water you can bring it down through tunnels and canals down on to the desert, which is pulverized lime under your feet, deep, rich in all kinds of mineral fertilizer. Build for yourself out of that desert a farm, bring down that water onto that farm; the United States will pay you wages while you are doing it. When you have the farm, when you are ready to go upon the farms, it will be there, not as a piece of wild land, but as a going concern, a piece of land that has a fence around it, that has a decent home upon it, that has a good barn upon it, that has necessary tools in the barn, that has a crop already on it, and then, taking your place as an independent farmer, you can pay back to the United States what it has put into the venture. Take forty years, if you please, in which to make the repayment. Pay us the principal at a very small rate per annum and pay us the interest at a very

small rate per annum, but that farm is to be yours, and what better use could be made of 500,000 of these returning heroes than to give them that opportunity in the open to make for themselves an economic life, independent, rich, full, as a part of a centralized community, for the trouble is with our farm life today, that it has been too individualistic, that we have not developed the farm as a community. We want the centre of every one of these projects and tracts a small village in which there will be the church and a good school, a school as good as in the city, and a moving picture show, and good stores, and these farms shall radiate into this community, and they shall be connected with it by good roads. They shall be connected up by railroads and there shall be a community centre there and a project manager who shall be an adviser as to what crops to put in and where the products of the farms shall be marketed.

Now this is the thing that appeals to us from the side of patriotism, from the side of gratitude, and appeals to me even more because it is an opportunity to make new land, to add to our country territory that will be in extent seven times the size of the State of Virginia. You gentlemen who represent your southern States, you owe something to us, if we can speak as representatives of the Federal Government, because we have extended to you land opportunities that are exceptional. We gave to you by one act nearly one hundred million acres of swamp land. We gave it to you upon condition that that land should be reclaimed, that the money that you obtained from that should be put into the reclamation of the land itself. Now there are some of you here whom I see who, if I asked you, would be compelled to acknowledge that that contract made between the Federal Government and the State has not been complied with. I know great States, rich States, in which there are thousands and tens of thousands and in one case, or two cases, over a million acres still unreclaimed, but sold. We want to enter into a new partnership with you. We want to enter into a new agreement with you by which you turn over to us, if you please, those lands. You have not been able to reclaim them yourselves or through the private parties who have gained

possession of these lands, so let them come back to us at a fair appraisement, and we will take the money of the people to make these homes for our veterans of the war of 1918. Gentlemen, that is a business proposition. It seems to me that it is one that no self-respecting State can reject. It is one upon which a self-respecting government can freely enter.

But we have more resources than our land, more resources than our men. One of the great revelations to the people of the United States during the past two years has been the discovery of America as a self-sufficient, economic entity. The world has had its hand extended to us. The world has been dependent upon the United States, and we are justly proud of that dependence. When the war began we were dependent upon other countries for many things because we had not developed our own resources. Now it can be said truly that with the exception of three minor minerals, platinum, nickel and tin, the United States could be encircled by the navies of the world, and yet live entirely upon itself, build battleships entirely out of its own minerals, fit those battleships and carry on successfully a war. Take, for instance, the one thing upon which Germany has always felt that she held a master hand over the world: The earth itself is filled with chemical elements which need replenishing, the land itself dies, it languors, it has to be stimulated, it has to be fed, just as the human body has to be fed, and one of the constituent elements of vegetable life is potash, and the great body of potash upon which the world depended was found in Germany or in Alsace-Lorraine. We brought 240,000 tons a year from Germany. We had no potash in the United States save a little that was taken out of the lakes in western Nebraska. Now what is our condition? We find down in southern Alabama that there is a shale which produces 10 per cent of potash, and needs but a reduction process to bring it into commercial competition with any potash in the world. There are millions and millions of tons of it. The western lakes of Nebraska, the more they pump them the more they seem to yield in potash. Out in Utah there is a great body of whitish rock which any one would have said was valueless. This rock is known as alunite. It

was found to contain potash and aluminum. Across the state line in Wyoming are great hills, a ridge of hills, bare, contain no vegetation, worthless, so far as any one could see, and yet they contain 8 per cent of potash. Down in southern California there is a small lake like a basin into which flows the water from the surrounding mountains, and those waters are so impregnated with potash that we have recently divided the entire body of the lake up and farmed it out under leases to various companies which are putting in great reduction plants. We can be independent in the matter of potash even without these resources, because we have discovered that out of the smokestacks of our cement mills, and out of the smokestacks of our blast furnaces, there is passed off each year almost enough potash to care for the demands of the entire country. This is just one thing that has been revealed to us. We can draw our nitrates from the air itself by an electrical process. Those two things, nitrogen and potash, feed the soil. Now these are among our resources. These are things that have come out of the war. But out of the war has come something even finer, something that appeals to us more than a mere material independence. We have gained a consciousness of a co-operative spirit, of the dependence of one man upon his fellowmen, of the dependence of one nation upon a fellow nation, and that spirit is going through our country today, and it is the essential spirit of our civilization, of our Christian civilization, as we call it.

I am so strong an optimist that I have no fear as to the future, the immediate future or the remote future of the United States. We are not to have a clash between labor and capital which will throw this country into a condition of chaos, because the business men of the United States, and the working men of the United States, realize the spirit that has come into the world, because we see across the water a dependence upon us for those things which we produce. Belgium holds out her hand, she asks for bread, she asks for machinery, she asks for timber, she asks for steel, she asks for copper. France and England, and Italy and Germany, the same way. There is to be no slacking up in business. The United States will see during the next five or six years

an exaltation in business, a stimulus to every industry, good times are to be ours, and in those good times we must work out as men who are interested in the welfare of the State, we must work out a method and plan, some machinery by which we ourselves can learn to work together, by which we can support industry, by which we can allow industry to combine when necessary, by which we can allow men to combine and work together properly, always having in mind the supreme interest of the collective community.

I have seen criticism of the President, and so have you, for going across the water at this time. The spirit which animates him in going across the water is the spirit of this new day, it is the spirit of giving your hand to your neighbor, it is the spirit that would make this war the end of all war. That is the program by which you can visualize the purpose of a league of nations. Still, it is only half true. We know that as long as man is as virile as he is that there will be physical contests, but we want to see the chance of war reduced to a minimum. The President has been the foremost advocate of justice and liberty throughout the world. An Englishman told me not long ago that Woodrow Wilson could be elected to the House of Commons from any borough in all England or Scotland. That man stands before the plain people of France and Great Britain, including Australia and Canada, of Italy and little Serbia and Roumania, he stands before all those who have been allied together for the protection of liberty, as the champion of human rights, He led the way into this war because he wanted to make sure that out of it would come something worth while to the people of the United States and to the struggling, starving people of the world, who, for the first time, had their heads above the crust and looked around and saw the joy of liberty and wished to preserve it.

This war would have been an idle waste of life, of property, of money and of lands unless we could get out of it something that would make an assured basis for peace in the future. Why then should that man not have gone himself in person to meet those on the other side with whom he could join in

making a league of nations that would preserve the lands against war and that would preserve the seas against war?

I was in Honolulu, in the Hawaiian Islands, a few months ago. I went into a little schoolhouse, and the teacher told me that I could ask the children anything I wished. I said to them, Does any one of you children know why we are in war? And a little girl, half Chinese and half Hawaiian, arose and said, I think I do. I said, Why? She said, To keep the oceans free.

We were away up on the side of the mountain of Kilauea, a volcano. The school, I suppose, was 5,000 feet above the level of the ocean, and we looked out upon the great blue and purple Pacific. The window itself was to my right, and gave me a view down over the wonderful land onto the ocean. "We are in war," she said, "to keep the seas free and to help those who need help."

No better definition has been given of the purposes of the war than that. We want to help those who need help.

The democratic idea for which you are speaking today and out of which you have come as Governors, that democratic idea has shattered the map of Europe. It is an idea born in this country in 1776. That voice has been heard by them 140 years later. They believe that there is something in this kind of liberty that we have. And so Serbia, Roumania, Czecho-Slovakia, Jugo-Slavia, all the little countries down in the Balkans, and reaching up to the Baltic, are imitating us. Germany herself is taking on at least the semblance of democracy in imitating us. And the man who stands as the representative of the foremost democracy of the world goes to Europe, not that he may march down the Champs Elysees, not that he may receive the plaudits of the French multitudes, but goes to Europe as the champion of American ideals, because he wants to see that out of this war comes something worth while. He would have been derelict, he would have been negligent, he would have been false to his own conscience and false to our idea of him if he had not stood in Paris in person as the champion of that principle which we love and those institutions which we hope to see spread around the world.

And he is doing nothing more than I have said to you that we should do ourselves—co-operate. Why then should not nations learn to co-operate? And who could be a more worthy leader than the President of the United States in this co-operation?

I know the place where the President has his temporary residence, the wonderful old park with its ruined circular pillars around a level lake that runs back away into the old Roman days, and over on the other side is the Arch of Triumph, and down that you pass until you get to the Place de la Concorde, and you turn to your right and go across to the tomb of Napoleon.

I have made this trip and it has a significance to me. As you go in and look down into the crypt where Napoleon's body is, you are moved as you think of the career of that man, rising as a young artillery officer and making himself master of Continental Europe, and then at last ending his days in exile on a barren island because his ego had become so great that he wanted to have the whole world at his feet and the world cannot stand that form of disease, as we have proved a hundred years later. But if you turn to the left and go down from Napoleon's tomb, down one of the boulevards, you will come to a statue that to me was far more impressive than the tomb of Napoleon, beautiful and impressive as that was. It is a statue to Pasteur, carved by the great French sculptor, Falguiere. It is a simple thing. Falguiere has made Pasteur to sit on the top of a shaft looking down, and then on four sides of this shaft there are figures, one a girl with a grapevine, representing the service that Pasteur rendered in saving France from the scourge of the phylloxera. On another side is a man with some oxen, and on another, a boy with some sheep, for Pasteur had cured the dread anthrax among the sheep and the herds. And in front is a wonderful group, a girl, wan, sick looking, leaning back against her mother, and the mother is looking up into the eyes of Pasteur with a look of ineffable gratitude for the cure that he has wrought upon this loved daughter, and the figure of death is slinking around the opposite corner, turn-

ing back with a look of despair, for he has been driven out by this master above.

To me Woodrow Wilson in Paris represents, not the ambitions of Napoleon, striving to master the world by force, but the greater Pasteur, the healer of the nations, who comes to bring peace, happiness, and to secure gratitude from those whose homes and lives he makes secure.

CHAIRMAN TOWNSEND—Gentlemen: I know I voice your feelings when I say that the Governors' Conference is very much indebted indeed to Secretary Lane for his wonderful message.

Now, we are to have the extreme pleasure of listening to a man under whose leadership and direction the greatest task in history has been accomplished, that of transporting across the ocean not only millions of tons of food for our Allies, but transporting and convoying, with scarcely the loss of a life, millions of our men to fight for liberty. It is now my great pleasure to present Honorable Josephus Daniels, Secretary of the Navy.

HONORABLE JOSEPHUS DANIELS, Secretary of the Navy.

Gentlemen of the Conference: There is a tradition in Washington that a decade ago a distinguished soldier was Secretary of War at a time when this country became engaged in a struggle with a foreign government, and when, instead of the smooth working machinery which supplies armies with ammunition and all things that make it effective, many things seemed to be out of joint, fever came into the camps before surgeons were able to stamp out the ravages of typhoid, and there was much criticism, and this Secretary of War, communing with a very close friend, said: "I surely have fallen upon evil times. I came to Washington resolved to effect in the War Department the best organization that was possible and I had everything running smoothly, nothing could have been better, until this blanket blank war broke out, and then everything was ruined."

Somewhat opposite is the feeling which I have today. This great war came and the forces of the navy, from the newest enlisted man to the oldest retired admiral who came back into service, there was shown a team work that at home and abroad has been recognized as making the navy as effective an agency as human powers have ever perfected. And now, as this organization, fit for fight, was running smoothly and easily, this blankety blank peace came on and imposed such delicate problems of readjustment as to make the task in peace one of more varied difficulties than during the great war. Then there was full steam ahead. Now we must back and tack so as to prevent too violent interruption of business and unemployment of labor.

There is a notion in this country that the war is over and therefore the problems of those engaged in administration are over or lessened. But you gentlemen, more than others, know that while the war called for all the resources and ingenuities and labors which we could perform, the duties of peace and rehabilitation are infinitely more complex and more difficult than the tasks of war after the organization had been perfected. And every day in Washington these problems come before us with increasing difficulty. There are those who supposed that after the armistice was signed the men in the army and in the navy could be returned home by Christmas; that when the making of munitions should cease we could return to normal conditions in a few days. But you know that while the war is over on the firing line, the war will not be over until peace is signed and all our troops cannot return until the time comes when there is no longer need of forces of occupation.

During the war the American people gave powers almost autocratic to the officials in charge of all public service, but with the signing of the armistice, without waiting for legislation, those powers were returned to the people, and in no Department of Government has there been scandal or dishonesty and every man charged with official trust and responsibility in the spending of billions of dollars can say truly "These hands are clean."

There is no taint or scintilla of self interest or of corruption that touches the American administration, any more than there is any scintilla of cowardice or lack of courage on sea or on land. You are discussing in these Conferences the problems not of war. We have solved those. In these heroic days we rejoice that our men have solved them in a way to give new glory to the flag. But we are today, and in the days to come, to apply the same courage and the same brains to winning the greater tasks of peace which we have used in winning the great war. It is a hundred years, gentlemen, since 1914, and the America of today is no more like the America of the hour when the German Emperor thought he could bestride the world like a colossus than the America of today is like that of 1776. We shall never again come back to the old world, and men who seek to bring into the solution of the great questions before us the ideas of a departed age, and to rally the people to old shibboleths, will find their places with the mummies of Egypt, and their burial places along the catacombs of Salt River.

The men who come back from France have had a vision. They come with a larger horizon. They can no more be stampeded into going back into the old ruts than the men at Belleau Wood could be stopped when they destroyed the machine guns in that jungle. I say we shall not come back to old days or old conditions, and we must meet the problems not by any ancient creed, not by any theory, but by the needs of the American people of today and of the future.

We learned in this war that autocracy has an army, but that democracy is an army. We found in war that men who had had little training, under the stimulus of a patriotism that was inspiring, rose to high rank and made effective soldiers. We shall find that the men who fought in France as crusaders will come home to fight the battles at home as bravely as they fought the foes across the sea. They will be leaders and they will look for other men who lead, who have their faces to the future, and who have real solutions for vital problems. We have not hesitated during this war to do radical things to win it, and shall we hesitate in the future to adopt revolutionary practices to give to the men who have

won the war every right to which they and those at home are entitled? Timid men in this new day will have no place of leadership; there will be no place for the men who are waiting to find out what somebody said a generation ago. We did not pause a moment when it became necessary to take over the railroads and the telephone and the telegraph and the wireless. We did not stop to ask whether it comported with some political creed; we only asked, "Is it necessary to take these public agencies and make them subservient to the winning of the war?" And now that the war is over we shall not be governed in our attitude as to what shall be the future policy by any theory. We do not care so much whether the cap that the engineer of a railroad wears is Uncle Sam's cap or whether it has the name on it of some private corporation. Our attitude toward the railroads in the future will be that they shall be operated and controlled for the common good, and we will care much less whether that shall be by Government agencies or through private corporations. We have not stopped to think whether we were consistent or not, because we have learned that the common good is the only rule of action. We accept Emerson's view that "consistency is the hobgoblin of small minds." We have come to a day when Government no longer concerns itself chiefly with court houses and with jails and with punishment, but when Government touches every home in America to bless it and to make better conditions for men to live in.

The battles we fight in the future shall not be around schedules or theories or constitutional quibblings, but they will be upon problems to make democracy safe for the world and to make tenement houses and every agency and every place where men abide more habitable. We shall not care very much whether we protect the child by State or National law, because we have sworn that the seed corn shall not be ground in the mill. We do not criticise the Supreme Court because it declared unconstitutional the Child Labor Law, if Congress lacked in its provision the ability to write a law that would meet the constitutional requirements, but we shall find a way or make a way by which child labor shall

never exist longer in this free republic of ours. We have learned many things in the last year and a half.

We have all been interested and instructed by the constructive ideas of home-owning, drainage and irrigation and new measures which Secretary Lane has advanced. But upon the sea we have learned that our old ideas can no longer guide us and be sufficient for us in the new day. When we began this war, ship building was a craft, it has become a mighty industry. More than 500,000 men have gone from other pursuits to build ships, and they will never go back to any other trade. In former days we looked in vain for the flag of our country in a foreign land, and we depended upon foreign bottoms to carry our commerce. We are building now a great merchant marine, and we will continue to build it and never again in America shall we depend upon foreign ships to carry American products. That is our goal, and it will concern us much less whether these ships will be under Governmental or private management. Our aim shall be that they carry our products to those with whom we trade. We shall not pause to say whether private corporations shall route these ships or whether in Washington Government agencies shall carry our products of our field and factory to every land under the sun.

These are some of the problems that we are to meet and we must meet them in that spirit, because, ladies and gentlemen, social service questions will rise superior to questions which have controlled us and guided us in our political and Government actions in the years that have passed. Just as man is greater than machinery so are problems touching social betterment greater than tariff or finance.

We learned another lesson in this war, a lesson we have been very slow to learn. Early in the war the surgeons of the army and navy discovered that a very large per cent, a distressingly large per cent of young men called to military service had rendered themselves inefficient by their immorality, and for the first time in the history of the world government concerns itself with giving wholesome surroundings to young men called to fight for their cause. Congress established what is known as a Social Science Board, of

which I have the honor to be chairman, and appropriated six million dollars to begin the fight and carry on the fight against the immoral diseases which crippled our army and would have crippled our navy if we had not issued a stringent order that young men with such diseases should not be admitted into the naval service. I am here this morning gentlemen, to urge you to qualify your States for participation in this warfare for clean living and to save the wastage of young manhood. Under this law two million dollars is to be appropriated to the States with a like sum from each State, and I trust this fund will be increased, and I urge upon you that in your message to your Legislatures you ask your commonwealths to make appropriations as a provision by which segregation of those people who have a disease worse than cancer and worse than tuberculosis may not cause the waste and destruction of young manhood of America.

It must not happen that we lose in these coming days of peace the great lessons that have been learned under the stress of war, and of all these lessons, one of the most impressive and far-reaching and the most precious, is the lesson that has taught us the serious importance of using our practical knowledge to stop the wastage of human health and human life—the loss of man power and woman power—that has disturbed us so little in the days of peace that preceded this war. There are here today Governors from some of the seven states that have enacted laws during the last two years requiring physical education in their schools. There are other Governors here whose states are making preparation for the enactment of such laws. Public spirited individuals, high minded organizations, wisely governed cities and states are vigorously concerned with various important phases of the great problem of conserving human life. Our states and our Nation must work together for its achievement.

The United States Government has cause to be proud of the success during this great war of its efforts to protect our armies against the great epidemics and the common diseases that have so heavily crippled the military forces of history.

Typhoid fever, typhus fever, cholera and other scourges that have in the past destroyed more sailors and soldiers than have been killed by shot and shell, have in this war been of negligible importance in the American and Allied armies. In the Spanish-American war seven American soldiers died of typhoid fever for one soldier that died of Spanish shell or bullet. If the same proportion had obtained in this great war our losses would have been appalling. The precautions taken in the army and navy for the protection of our boys has practically eliminated this disease and, thanks to the support of Congress, the same success has been made possible in relation to other of the old and better understood diseases of camp life.

One of the most significant of these protections that have guarded the health of our sailors and soldiers is that which we have achieved in relation to the venereal diseases. The medical corps of the navy and the medical corps of the army supported by wise congressional legislation have been able to reduce enormously the occurrences of these diseases, which under other conditions have been known to reduce by as much as 30 per cent the fighting efficiency of an army.

I need not tell you the far-reaching and varied damages that come from these diseases. You know that they are universal; that they are associated with sin and shame and crime; that they ruin the family and the home; that they are passed from the guilty to the innocent; that they make men sterile and unable to become fathers, and women sterile and unable to become mothers; that they destroy more young and unborn infants than any other cause; that they make more children blind than any other cause; that they place more men, women and children in asylums for the insane, idiotic and feeble minded than any other cause; that they cripple the brain, the nerves and the joints and deform and incapacitate men, women and children mentally, morally and physically; and that they destroy individuals, ruin homes, demoralize communities and defeat armies.

Congress enacted a law last summer which was concerned with the protection of our sailor and soldier sons—and daughters too—from these diseases. This law, the Chamber-

lain-Kahn Bill, created the Interdepartmental Social Hygiene Board and directed that its membership should be composed of the Secretary of the Treasury, Secretary of War, Secretary of the Navy and representatives selected from the medical corps of the Army, the Navy and from the Public Health Service. I have the honor to be chairman of this board. This law carried with it an appropriation of over four million dollars and an obligation to distribute two million of this resource to your State Boards of Health by way of the United States Public Health Service for the prevention and treatment of venereal disease; one million dollars for the purpose of assisting the various states in caring for civilian persons whose detention, isolation, quarantine or commitment to institutions may be found necessary for the protection of the military and naval forces of the United States against venereal diseases; \$200,000 for the establishment of a division of venereal disease which is to study and investigate the cause, treatment and prevention of venereal disease; co-operate with State Boards of Health for the prevention and control of such diseases within the States, and to control and prevent the spread of this disease in interstate traffic; \$200,000 to be paid universities, colleges or other suitable institutions in the States for the purpose of discovering more effective medical measures in the prevention and treatment of venereal disease, and the sum of \$600,000 to be paid to such institutions for the purpose of discovering and developing more effective educational measures in social and general hygiene.

The framers of this law and the members of Congress who voted for it were concerned with the establishment of agencies for the protection not only of soldiers and sailors in the time of war, but of men and women in the time of peace. We know that for every enlisted man who contracted venereal disease after reaching camp, five enlisted men became infected before reaching camp. The need for this farsighted legislation is obvious.

The Interdepartmental Social Hygiene Board, because of the Act of Congress which created it, is concerned with the establishment and development of educational methods in

hygiene that will teach our boys and our girls and our men and our women the facts and habits of hygiene that will save them from the disasters of these diseases of shame, protect them from the agents that injure health and carry disease, and give them greater vigor, longer lives and larger happiness.

But the work of this Board will not succeed, nor will it become permanent unless this Act of Congress for the conservation of these precious national resources receives your co-operative support. This Board has devoted its energies to assisting States in their protection of these human resources, and will continue such assistance as long as it is active. But this service must necessarily receive your cordial and hearty cooperation if it is to bring better health habits and better health conditions that are necessary to the increased national vitality which we ought by all means achieve. If your National Government and State Governments will join in their health educational and health protective measures our children will learn the laws of hygiene, our communities will practice those laws, and our future will find this country saving its man power and its woman power with the care and the success that are deserved by these the most precious assets of a nation.

I should like to speak to you, if time permitted, about what the navy has accomplished in this war, not about those things that the navy is organized to accomplish, for those are as familiar to you as they are to me. I would like to speak to you about how, under a convoy system, a system never dreamed of being put into practice, we have transported to France more than two million men without the loss of one man. I would like to tell you how we have, in conjunction with our Allies, fought the submarine menace, and how men in the air and under the sea and on the sea have won a new glory for the navy and made new traditions which those who come after us will point to with pride. But the navy has served also in having accomplished new and undreamed of tasks. We had hardly entered this war before it became apparent to us in Washington that the submarine menace could never be ended by destroyers or small craft, essential as they were to the kind of warfare we must carry

on. And so Admiral Benson, head of Naval Operations went abroad. He carried this thought to the Allied Naval Council, that the only way to destroy the hornets was to destroy the nests or wall them in. It was soon clear that ships would invite suicide if they undertook the war-fare against the fortified places on the German coast. American naval leaders made the proposition that a barrage should be put across the North Sea, 250 miles long, so that no submarine except the occasional one which might evade the nests could get out of the North Sea. And, gentlemen, there has not been in any war any single achievement that has been so large and so difficult as the construction of this barrage across the North Sea, and it was an American idea, and 80 per cent of the mines that were made were sent across the sea by our navy. During the war it seemed that the German submarines had a genius for sinking oil ships, and you know this was a war of gasoline and oil, and it was an American idea and carried on by our naval engineers and naval experts, to construct a pipe line by which all the oil for the British navy and our navy was pumped overland, thus saving the menace and danger of sailing in infested areas around the north of Scotland. The last great fight in this great war was signalized by the 14-inch guns with a range of twenty-three miles, of the navy which had been made mobile on land, and which fired their shots around Metz before the armistice was signed.

These three outstanding achievements of the navy, the last one in connection with land warfare, serve to illustrate to you the kind of service which the navy rendered in this war apart from its service afloat.

I am asking Congress to authorize a continued construction of the navy and to give its approval to another three-year program which will make the American navy powerful enough to contribute its proportion to the Allied navies which will be needed to enforce the decrees of the tribunal which will be set up to settle differences between nations. Our country is the richest, we have suffered the least of any great nation from war, and it is our duty, as it will be our privilege, to demand that whatever that international navy

shall be, America shall furnish as many and as strong and powerful units as any other nation shall be called upon to contribute.

I wish to show you what the navy is in a concrete way. You have had the pleasure this week of visiting the Naval Academy, an institution which is not only the pride of our country but which Sir Eric Geddes said when he visited it some weeks ago was "the pride and envy of every country." It is here that young men are trained not only to become naval officers, but in all the principles and traditions of a noble service. I am closing these brief remarks by inviting all of you—and this includes the gentlemen of the press—to join, when this session ends, in a trip on the *Mayflower* and to luncheon, and afterwards to a visit to the *Mississippi*, one of the latest and one of the most powerful dreadnoughts in the world.

CHAIRMAN TOWNSEND—Gentlemen: I know I speak your thoughts when I express to Secretary Daniels our appreciation for the wonderful message he has just delivered to us.

I now recognize Governor Harrington of Maryland.

GOVERNOR HARRINGTON—Mr. Chairman: I believe we have finished the program so far as it goes with the exception of meeting of the Executive Session, and I understand that we have made arrangements by which we can hold that Session on the *Mayflower*. The Secretary of the Navy has kindly invited us to luncheon on the *Mayflower* and then we will take a run out to the battleship *Mississippi*. All those who can go are to be present at the wharf and ready to go on board the *Mayflower* at one o'clock. We would like you to be as prompt as you can because they want to return at four o'clock, and in order to do that we must leave on time. The wharf is at the Naval Academy.

GOVERNOR PHILIPP of Wisconsin—Have we finished the discussion of the business before us, or is this the conclusion?

CHAIRMAN TOWNSEND—We are privileged to have a session on the *Mayflower* by the consent of Secretary Daniels. What is your pleasure, gentlemen?

GOVERNOR HARRINGTON—I move we accept the invitation
The motion being duly made and seconded, was carried.

GOVERNOR HARRINGTON—I now move you, sir, that we adjourn.

CHAIRMAN TOWNSEND—The motion is that the Conference now adjourn to meet on board the *Mayflower*.

GOVERNOR LISTER of Washington—Mr. Chairman, would it not be advisable to fix some hour upon the *Mayflower* at which the Governors will meet? If you do not it will probably result in no meeting being held.

CHAIRMAN TOWNSEND—It has been suggested that we meet at 2:30 o'clock on the *Mayflower*. A motion to adjourn has been duly made and seconded. There being no objection the meeting will stand adjourned.

On Board the “Mayflower”

Executive Session (3:40 p. m.)

(The Executive Session was called to order by Governor Townsend at 3:40 P. M.)

The following resolutions of thanks and appreciation were offered by Governor Capper and were unanimously adopted:

TO GOVERNOR AND MRS. HARRINGTON AND THE PEOPLE OF MARYLAND AND ANNAPOLIS: RESOLVED, That we, the members of the Governors' Conference, do hereby extend to Governor Harrington and Mrs. Harrington and to the hospitable people of the State of Maryland and of the City of Annapolis expressions of gratitude and appreciation for the numerous and kindly courtesies and generous and gracious hospitality extended to us during the Conference of Governors held in the City of Annapolis, December sixteenth to eighteenth, nineteen hundred and eighteen.

TO ADMIRAL E. W. EBERLE: RESOLVED, That we, the members of the Governors' Conference, do hereby extend to Admiral E. W. Eberle expressions of appreciation and

thanks for his hospitality and courtesies in arranging for and personally accompanying us on a visit to the Naval Academy on the afternoon of December 17, 1918.

TO SECRETARIES BAKER, DANIELS, LANE AND HOUSTON: RESOLVED, That we thank most sincerely Honorable Newton D. Baker, Secretary of War; Honorable Josephus Daniels, Secretary of the Navy; Honorable Franklin K. Lane, Secretary of the Interior; and Honorable David F. Houston, Secretary of Agriculture for the great interest shown by them in our Conference, and for the able addresses delivered by them.

TO THE BALTIMORE PRESS CLUB: RESOLVED, That we, the members of the Governors' Conference, do hereby express our hearty thanks to the Baltimore Press Club for the generous reception and entertainment tendered to us in the City of Baltimore on the evening of December 17, 1918.

A motion was unanimously adopted to assess each state \$150.00 to cover expenses of the Conference.

The following Executive Committee was elected by unanimous vote:

Governor Emerson C. Harrington of Maryland, Chairman.

Governor Ruffin G. Pleasant of Louisiana.

Governor Henry J. Allen of Kansas.

Honorable John Franklin Fort of New Jersey was unanimously re-elected Treasurer.

Miles C. Riley of Madison, Wisconsin, was unanimously re-elected Secretary.

It was resolved, by motion duly made and seconded, that the Conference meet at 7:30 in the Governor's Reception Room of the State Capitol at Annapolis for further discussion of the many important subjects before the Conference.

Governor Bamberger extended an invitation to the Conference to hold its next meeting at Salt Lake City, Utah.

Governor Riggs of Alaska invited the Conference to meet in the Territory of Alaska.

The following motion was adopted:

That the Conference go to Alaska provided half the Governors can attend and the Secretary can learn by the first of April the number who will attend; but if one-half the Governors are not able to go to Alaska then that the next meeting place be Salt Lake City.

The auditing committee reported that the Treasurer's accounts had been audited and were found correct.

The Treasurer's report, approved by the Conference, is as follows:

WASHINGTON, D. C., DECEMBER 3, 1918.

JOHN FRANKLIN FORT, Treasurer,

In account with the Governors' Conference.

RECEIPTS

1917

Dec.	12	Balance in the hands of the Treasurer, as per report of December 12th, 1916, to the Governors' Conference at Washington, D. C.	\$1417 61
		Since received from M. C. Riley, Secretary, and the Treasurer of the State of New Jersey, the following assessments from States:	

1917

Jan.	9	Connecticut	\$150 00	
"	9	Kansas	150 00	
"	9	Illinois	150 00	
"	9	Montana	150 00	
"	9	Vermont	150 00	
"	9	Virginia	150 00	
"	9	Delaware	150 00	
"	10	Arizona	150 00	
"	13	Nevada	150 00	
"	15	Minnesota	150 00	
"	19	Maryland	150 00	
"	19	Wisconsin	150 00	
Feb.	28	Colorado	150 00	
"	28	Ohio	150 00	
Mar.	5	Michigan	150 00	
"	15	Massachusetts (1916-1917)	300 00	
Nov.	30	Utah	150 00	
Dec.	20	Pennsylvania	150 00	
1918				
Jan.	30	New Jersey	150 00	\$3000 00
Total receipts from States				\$4417 61

1917			
Dec.	1	Interest from December, 1916, to November, 1917, inclusive	\$ 51 12
		Interest from December, 1917, to September, 1918, inclusive	22 99 74 11
Total receipts, including interest			<u>\$4491 72</u>

DISBURSEMENTS

1916			
Dec.	19	Check to M. C. Riley, Secretary, for bill approved by Executive Committee, for expenses and salary for October, November and December, 1916.	\$ 555 89
1917			
Jan.	9	Check to M. C. Riley, Secretary, for bill approved by Executive Committee, expenses at Washington Conference	124 57
May	21	Check to M. C. Riley, Secretary, for expenses and salary for January, February, March, April and May, 1917	756 58
Nov.	22	Check to M. C. Riley, Secretary, for bill approved by Executive Committee, for printing proceedings of 1916, etc., and for salary for June, July, August and September, 1917	1230 96
1918			
Jan.	19	Check to M. C. Riley, Secretary, salary for November and December, 1917, and postage	255 00
May	18	Check to M. C. Riley, Secretary, salary for January, February and March, 1918	375 00
July	5	Check to M. C. Riley, Secretary, salary for April and May, 1918, and expenses	260 22
Total Disbursements			<u>\$3558 22</u>
Total receipts to date			<u>\$4491 72</u>
Total disbursements to date			<u>3558 22</u>
Balance in hands of Treasurer, December 3rd, 1918.			\$933 50

Respectfully Submitted,

JOHN FRANKLIN FORT, *Treasurer.*

Dated December 3rd, 1918.

December 17, 1918.

The foregoing account both as to receipts and disbursements audited by the undersigned and found correct.

JOHN G. TOWNSEND, JR.

D. W. DAVIS,

Committee.

Thereupon, at 5 o'clock P. M. the Executive Session dissolved.

Evening Session (7:30 p. m.)

The evening session was called to order at 7:30 o'clock P. M. by Governor Harrington.

The Conference proceeded to informally discuss subjects of economic interest to the States.

At 11:15 P. M. the Tenth Annual Conference of Governors adjourned *Sine die*.

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